

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2548 SCOMM 111: DEFERRED MAINTENANCE TASK FORCE, 1997

- **Estimate fixed asset replacement and addition costs for the City over the next five years**

Our methodology for each of these purposes is described separately in the following sections.

Inventory and Condition Assessment Methodology

Based upon our review of City fixed asset inventory records, and upon conversations with City staff, we conducted an inventory of all major City fixed assets. Our inventory and condition assessment included the following steps:

1. **Observe, measure and photograph physically accessible and discrete assets -** These assets included port and harbor facilities, major hospital equipment, the hydroelectric generation project, electric transmission substations and backup electric generators, sewage treatment facilities, water wells and storage tanks, all City buildings, and all City rolling stock (vehicles and major portable equipment).
2. **Review engineering plans or specifications for non-discrete and inaccessible assets -** for such non-discrete assets as streets, sidewalks and electricity distribution lines, we observed the assets' condition, but we relied upon City plans and specifications to determine the actual quantity of the asset held by the City. Similarly for inaccessible assets such as buried sewage collection piping and water distribution piping, we relied upon City plans and specifications, age and material data to determine the quantity of asset held and assess probable condition of the assets.
3. **Record identifying descriptive information regarding the asset, as well as unusual or unique attributes and/or defects -** We recorded the manufacturer, model, type, design, component materials, characteristics, any damage, and other relevant information about each asset, as appropriate.
4. **Discuss asset condition and functional serviceability of the asset with Department staff responsible for overseeing or using the asset -** We determined whether the asset is used, and whether it is fully functional in performing its intended purpose.

Based upon our conduct of this methodology, we prepared the inventory and condition assessment presented in Chapter 2 of this report.

Replacement Cost and Fair Market Value Estimation Methodology

After we conducted the inventory and condition assessment, we prepared estimates of the current replacement cost for the same or comparable assets, and estimates of the fair market value of the asset in its current condition. Our estimate of replacement costs and fair market values included the following steps:

1. **Identify and contact manufacturer or local seller of each asset** - For manufactured assets, such as vehicles, major hospital equipment, etc, we often contacted the manufacturer or a local dealer to inquire about the costs of comparable current models, and value of the City's current assets
2. **Consult standard valuation guides and guidelines** - For manufactured assets such as vehicles, we consulted standard industry valuation guides, such as the Kelley Bluebook for automobiles and trucks. These guides offer information regarding both the value of used asset, and the suggested retail price of the new assets which we determined to be comparable. Additionally, standard industry guides are available to assist in determining the cost of construction components for many more complex assets. For example, material costs per square foot for certain classes of standard building construction are available. As appropriate, we adjusted these costs to reflect the City of Seward's unique characteristics.
3. **Identify new and used market prices for comparable assets or asset components** - Where a market exists for assets or component parts of assets, we may have identified the cost of new assets/components, or the prices obtained for previously used assets. In some cases, we made judgmental adjustments upward or downward to reflect slight differences between the City of Seward's assets and those observed in trade (for example if the City of Seward's asset was slightly newer, we may have adjusted its value upward by estimated inflation and depreciation factors.
4. **Estimate costs of individual component parts (and labor) required to construct/reconstruct the asset** - In cases where the City of Seward's assets are unique and no identifiable market exists, we worked with City staff to identify all component parts of the asset, and we estimated the complete cost of constructing or reconstructing the asset. In cases such as these, we estimated fair market value by depreciating the asset at an appropriate rate considering the estimated replacement cost and its expected useful life.

These methodologies allowed us to estimate the current replacement cost and fair market value of inventoried fixed assets. Our resulting estimates are presented in Chapter 2 of this report.

Anticipated Maintenance and Repair Cost Methodology

We identified the major fixed asset maintenance and repair costs which the City of Seward may expect to see over the next five years using the following methodologies:

1. **Identify fixed assets clearly in need of repair based upon the condition assessment made during our inventory verification** - Observation of major defects or damage to City fixed assets during our condition assessment lead us to note and estimate the cost of repairs.
2. **Discuss with Department staff the nature of major capital maintenance required for asset upkeep** - Such maintenance and repairs may be currently needed and ongoing, or may be expected to begin at some future point in time. We discussed the materials, City labor, and outside assistance necessary to complete major fixed asset maintenance and repairs. We then estimated the costs of this maintenance and repair over the next five years using methods similar to those described above for estimating replacement costs and fair market values.

These methodologies allowed us to estimate the anticipated major fixed asset maintenance and repair costs for the City of Seward's fixed assets. Our resulting estimated costs for the next five years are presented in Chapter 3 of this report.

Anticipated Fixed Asset Replacement and Addition Cost Estimating Methodology

We identified the major fixed asset replacement and addition costs which the City of Seward may expect to see over the next five years using the following methodologies:

1. **Discuss currently planned replacement of fixed assets with Department staff and review the City's capital budget to determine if plans are reflected in the budget** - We discussed needs and plans for replacement and purchase of additional assets. Where possible, we worked to identify the specific item expected to be purchased to replace an existing asset in order to obtain a more accurate cost estimate.
2. **Suggest replacement of fixed assets noted during the condition survey to be in poor condition (and some assets noted to be in fair condition)** - When our inventory and condition survey noted that a current asset is in poor condition (or, for certain assets which receive heavy use, if the asset is in fair condition) we suggested to Department staff that the asset may need to be replaced.

3. **Discuss any plans of Department staff to purchase additional fixed assets within the next five years -** We discussed plans for expansion of existing functions and assumption of new functions which may require the purchase of additional fixed assets over the next five years. Where possible, we worked to identify the specific item expected to be purchased in order to obtain a more accurate cost estimate.
4. **Determine cost of replacement or additional fixed assets -** For this step, we used the same methodologies discussed above for estimating replacement costs of inventoried assets. In some cases, the replacement cost estimated above was used directly here.

These methodologies allowed us to estimate the anticipated major fixed asset replacement and addition costs for the City of Seward. Our resulting estimated costs for the next five years are presented in Chapter 4 of this report.

CITY OF SEWARD, ALASKA

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2. INVENTORY VALIDATION AND CONDITION SURVEY, INCLUDING REPLACEMENT COST AND FAIR MARKET VALUE ESTIMATES

Exhibit 2.1 on the following pages presents a listing of the City of Seward's major fixed assets. The assets are grouped according to the City Fund, and within the General Fund, by City Department. For each major fixed asset, the Exhibit shows:

- Whether we physically observed and inventoried each asset
- Our assessment of the asset's condition
- The approximate cost of replacing the asset entirely with an identical or comparable new asset
- Our estimate of the asset's total useful life and useful life remaining
- The approximate fair market value which the asset might bring if sold under ordinary circumstances (not under duress)

The following sections of this chapter explain the physical inventory, asset condition, and useful life. Our methods for determining the replacement cost and fair market value were described in Chapter 1.

PHYSICAL INVENTORY

The entry in this column will be "Yes" if we physically observed the asset and found the item to be consistent with any description and characteristics noted in City records. We observed, but did not exhaustively measure assets such as roadways, sidewalks, curbs and gutters, and electric transmission lines because such measurement would have been exceptionally time consuming, and not valuable. For such assets, we observed parts of the asset, including construction materials and methods, and age to determine condition. To determine the quantity of the asset held by the City, however, we relied upon City plans, designs and engineering/ construction specifications.

For the City's sewage collection piping and water distribution piping networks, we did not physically observe the asset, but instead relied again upon the City's plans, designs, and engineering/construction specifications to determine the quantity of the asset held by the City. These asset's conditions were appraised indirectly by noting the construction materials and methods, and by discussing the assets with City staff responsible for maintaining the assets. These staff may have observed portions of the piping when digging

it up to modify the system or to repair leaks, etc. As well, they have observed the assets' performance, and may have received any complaints from system users.

ASSET CONDITION

When we physically observed accessible assets and when we discussed each of the City's fixed assets with City staff, we appraised the physical condition of each asset. For that purpose, we used a five grade scale of conditions. Each condition grade is described below:

- **Poor** - The asset does not adequately perform its intended function. If the function remains a City priority, the asset should be replaced or rehabilitated.
- **Fair** - The asset performs its intended function, but with higher than usual maintenance and operating costs. If the function performed remains a City priority, the asset should be replaced in the near future.
- **Average** - The asset adequately performs its intended function, and requires no more than standard maintenance and operating costs.
- **Good** - The asset performs its intended function well, and requires standard or below standard maintenance and operating costs.
- **Excellent** - The asset performs its intended function as efficiently and effectively as possible, and has relatively low maintenance costs.

As may be expected, an asset's condition will be affected by the frequency of its use, by the conditions to which the asset is exposed and by the quality of maintenance which the asset receives, amongst other factors.

USEFUL LIFE

Useful life is typically set using standard guides for type of construction and materials, but in some cases we judgmentally adjusted it for the City of Seward's unique conditions. When an asset reaches the end of its useful life, it may still serve a function, but typically, routine maintenance and operating costs become onerous, and the design may no longer best suit the intended purposes of the asset due to technological changes in new assets or construction methods available. Assets at or past the end of their useful lives may:

- Continue to serve their original purpose with reduced efficiency or greater routine operating and maintenance costs

- Serve a reduced or different purpose than that for which they were originally designed
- Be refurbished or rebuilt to extend their useful life; or
- Be salvaged and replaced with a new asset which takes over their function.

Of course the end of an asset's useful life is rarely a black and white issue, depending on the individual uses to which the asset has been put, the maintenance and storage experience of the asset during its use, and of course the initial quality of the asset's workmanship and materials.

SPECIFIC DETAILS REGARDING REPLACEMENT COST AND FAIR MARKET VALUE ESTIMATES

This section describes any salient or unusual factors related to our appraisal of asset condition, or our estimates of replacement cost, useful life remaining or fair market value.

Stationary Port and Harbor Facilities

Estimating costs for most Port and Harbor assets required consideration of the asset's basic component parts, and estimation of materials and labor costs for construction. Market values were obtained by deducting straight line depreciation to-date in proportion to the part of the asset's useful life which has expired.

Much of the Synchrolift boat lift system is in excellent condition because it is nearly new. For the purposes of this review, we divided the system into distinct components, including the dock and breakwater; the lift platform, winches and controls; the rail system the side transfer carriage.

The Inlet Salmon Wharf was constructed at the expense and direction of a private firm, and given to the City in lieu of lease payments for five acres of land within the Seward Marine Industrial Center (SMIC) area. The Wharf is maintained by the private firm which directed its construction.

The Ferry Wharf, built before 1965 is in fair condition, and, over the longer term, the City may consider replacing it with a facility in another location.

The floating dock in the small boat harbor, as well as the grid and boat ramp, do not appear on Exhibit 2.1 because they are owned by the State, not by the City, although the City maintains them.

Major Hospital Equipment

Most of the Hospital's major equipment has been purchased relatively recently, and functions well, with two exceptions. First, the computer, though in good condition and still functional, is outdated in terms of available technology. Second, the main X-Ray unit is old and in poor condition. The replacement cost for each anticipates more modern technology.

Streets and Sidewalks

Though we reviewed maps and engineering specifications, we did not physically measure every mile of roadway, curb and sidewalk. Generally, the City's roadway infrastructure is in good condition, but the City is replacing most of its sidewalks in the 1990-91 fiscal year. For that reason, we have included a zero current market value for the current sidewalks. Upon construction, they should be accounted for as having an initial market value equal to their construction cost, which we estimate to be roughly \$125,000.

Hydroelectric Generation Project

The hydroelectric turbine generator powered by a diverted creek is in relatively good condition and is functional, but often does not receive enough natural water pressure to generate desired amounts of electricity. Our estimate of values for this asset included estimates for the water collection ditch, fence, screen and gates; for the pipe and penstock; for the hydroelectric building, alternator, controls, valves and chlorination system for the discharge piping.

Electricity Transmission and Backup Generation

The City-owned electricity distribution network includes a primary 115 KV line to bring power into the Seward area, and two lower capacity 69 KV lines to distribute power to the City proper ("townside") and to the Seward Marine Industrial Center/Spring Creek side of Resurrection Bay (SMIC). We have treated the townside distribution network, and the substations at Lawing, Fort Raymond and Spring Creek as separate assets for the purposes of this review. As well, we have treated the City's backup generation system as a separate asset, which consists of five generators and related controls and shelters. Generally, the older townside network and Fort Raymond substation are in poorer condition than are the newer SMIC substation and lines.

Sewage Collection and Treatment System

We did not physically observe and measure buried sewer piping, but instead relied upon discussions with City staff and review of plans and engineering specifications to inventory the sewage collection and treatment system. Most of the system is in average condition, based upon our observation of exposed components and upon our discussions.

Water Production and Distribution System (Townside and SMIC)

The City's three Lowell Canyon wells are in poor condition, and are essentially past the end of their useful lives. The four Fort Raymond Wells are in better condition and are relied upon for most of the City's needs. Most of the townside (non-SMIC/Spring Creek) water distribution network is aging, and in average condition. The newer SMIC network, including piping, valves and storage tank, is in excellent condition.

Vehicles and Mobile Equipment

Detailed listings and data concerning individual vehicles is provided in Appendix A, Estimated replacement Costs and Market Values for City Vehicles.

Exhibit 2.1
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
STATIONARY PORT AND HARBOR FACILITIES						
Synchrolift Dock and Breakwater	Yes	Excellent	\$25,950,000	30	24	\$20,750,000
Synchrolift Platform w/Winches & Controls	Yes	Excellent	5,350,000	30	24	4,300,000
Synchrolift Rail System	Yes	Excellent	2,000,000	30	28	1,850,000
Synchrolift Side Transfer Carriage	Yes	Excellent	650,000	30	28	600,000
North Wharf	Yes	Excellent	2,350,000	60	57	2,225,000
Inlet Salmon Wharf	Yes	Excellent	800,000	30	28	750,000
Ferry Wharf	Yes	Poor	1,000,000	60	10	150,000
250 Ton Travel Life Dock	Yes	Excellent	500,000	30	30	475,000
City Fish Wharf Dock	Yes	Good	1,125,000	30	20	725,000
City T-Block	Yes	Good	275,000	30	20	175,000
City 50 Ton Fixed Wood Dock	Yes	Average	250,000	30	20	150,000
TOTAL PORT AND HARBOR			\$40,250,000			\$32,150,000

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
MAJOR HOSPITAL EQUIPMENT						
Mammography X-Ray Unit	Yes	Excellent	\$ 55,000	15	14	\$ 50,000
Ultrasonic Unit	Yes	Excellent	55,000	15	14	50,000
Patient Vital Signs Monitoring System	Yes	Good	53,000	15	12	42,000
Chemical Analyzer	Yes	Good	35,000	15	11	25,000
Hematology Analyzer System	Yes	Good	30,000	15	11	22,000
Computer System, Digital PDP-11	Yes	Good	60,000	8	1	21,000
X-Ray Unit, General Electric	Yes	Poor	180,000	20	2	22,000
Circadian Stress Test System and Treadmill	Yes	Excellent	32,000	15	8	18,000
TOTAL HOSPITAL			\$500,000			\$250,000

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
STREETS AND SIDEWALKS						
Paved Asphaltic Concrete Roadway 90,000 Linear Feet, 40 Foot Wide	No	Good	\$ 7,125,000	30	18	\$4,325,000
Gravel Roadway 70,000 Linear Feet, 32 Feet Wide	No	Good	1,900,000	40	34	1,625,000
Gravel Roadway (Non-Municipal-Revenue) 40,000 Linear Feet, 32 Feet Wide	No	Good	1,050,000	40	34	900,000
Curb and Gutter 10,000 Linear Feet	No	Good	125,000	30	18	75,000
Sidewalks 10,000 Linear Feet	No	Good	125,000	25	0	0
TOTAL STREETS AND SIDEWALKS			\$10,325,000			\$6,925,000

HYDROELECTRIC GENERATION PROJECT						
Hydroelectric Project, including Headworks, Penstock: 200 KW Turbine Generator, Wiring, Equipment Shelter and Controls	Yes	Good	\$1,300,000	20 30	10 20	\$775,000

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
ELECTRICITY TRANSMISSION/ BACKUP GENERATION						
115 KV Transmission Line (Dave Creek to Lawing)	No	Excellent	\$ 9,000,000	35	30	\$ 7,700,00
69 KV Transmission Line (Lawing to Fort Raymond)	No	Poor	11,000,000	35	5	1,575,000
69 KV Transmission Line (Fort Raymond to Spring Creek)	No	Excellent	3,500,000	35	30	3,200,000
In-City Distribution Network 100 Miles of Line; 1,500 Transformers	No	Average	6,900,000	30	20	4,600,000
Lawing Substation 69 KV to 12.5 KV; 30 MCA Capacity	Yes	Good	750,000	30	25	625,000
Fort Raymond Substation 69 KV to 12.5 KV; 15 MCA Capacity	Yes	Fair	6,000,000	30	20	4,000,000
Spring Creek Substation 69 KV to 12.5 KV; 15 MCA Capacity	Yes	Excellent	3,000,000	30	25	2,500,000
Backup Electrical Generation System Three 2,500 KW Generators Two 1,500 KW Generators Related Exterior Equipment Related Interior Controls and Shelter	Yes	Good Fair Fair Average	7,500,000	30	27 6 8 15	4,100,000
TOTAL ELECTRICITY TRANSMISSION AND GENERATION			\$47,650,000			\$28,300,000

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
SEWAGE COLLECTION AND TREATMENT SYSTEM						
Townside Collection Piping 62,000 Linear Feet 4" to 16" Pipe	No	Average	\$ 3,100,000	30	15	\$1,600,000
SMIC Collection Piping 5,500 Linear Feet 4" to 8" Pipe	No	Excellent	250,000	30	27	225,000
Manholes (Approximately 750)	No	Average	2,250,000	30	20	1,500,000
"D" Street Lift System	Yes	Average	62,000	30	12	25,000
Harbor Backup Lift System	Yes	Average	63,000	30	12	25,000
EPA Sewage Project With Lagoon Lift Stations #1, #2, #3, #4 Plastic Pipe System	Yes	Good	10,000,000	30	20	6,500,000
TOTAL SEWAGE COLLECTION AND TREATMENT			\$15,725,000			\$9,875,000

CORRECTION

**THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION**



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Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
SEWAGE COLLECTION AND TREATMENT SYSTEM						
Townside Collection Piping 62,000 Linear Feet 4" to 16" Pipe	No	Average	\$ 3,100,000	30	15	\$1,600,000
SMIC Collection Piping 5,500 Linear Feet 4" to 8" Pipe	No	Excellent	250,000	30	27	225,000
Manholes (Approximately 750)	No	Average	2,250,000	30	20	1,500,000
"D" Street Lift System	Yes	Average	62,000	30	12	25,000
Harbor Backup Lift System	Yes	Average	63,000	30	12	25,000
EPA Sewage Project With Lagoon Lift Stations #1, #2, #3, #4 Plastic Pipe System	Yes	Good	10,000,000	30	20	6,500,000
TOTAL SEWAGE COLLECTION AND TREATMENT			\$15,725,000			\$9,875,000

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
TOWNSIDE WATER PRODUCTION AND DISTRIBUTION SYSTEM						
#1 Lowell Canyon Well	Yes	Poor	\$ 125,000	30	0	\$ 0
#2 Lowell Canyon Well	Yes	Poor	125,000	30	0	0
#3 Lowell Canyon Well	Yes	Poor	125,000	30	0	0
#1 Fort Raymond Well	Yes	Average	125,000	30	18	75,000
#2 Fort Raymond Well	Yes	Average	125,000	30	18	75,000
#3 Fort Raymond Well	Yes	Average	125,000	30	18	75,000
#4 Fort Raymond Well	Yes	Average	175,000	30	21	125,000
#5 Fort Raymond Well	Yes	Excellent	150,000	30	30	150,000
#1 Lowell Canyon Tank	Yes	Good	110,000	30	16	60,000
#2 Lowell Canyon Tank	Yes	Good	155,000	30	22	115,000
#1 Gateway Water Tank	Yes	Good	110,000	30	27	100,000
Water Piping 4" to 16"; 92,000 Linear Feet Cast Iron, Ductile Iron and Plastic	No	Average	4,735,000	30	15	2,375,000
Water Vales, Gateway Ten 4" to 16" Gate Values Lift Stations #1, #2, #3, #4 Plastic Pipe System	No	Average	35,000	30	21	25,000
Water Vales, Non-Gateway 175 4" to 16" Gate Values	No	Average	330,000	30	16	175,000
TOTAL TOWNSIDE WATER			\$6,550,000			\$3,350,000

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
SMIC WATER PRODUCTION AND DISTRIBUTION SYSTEM						
Insulated Steel Water Tank 200,000 Gallon Capacity	Yes	Excellent	\$ 110,000	30	27	\$ 100,000
Distribution Piping 20,000 Linear Feet 6" to 16" Ductile Iron and Plastic	No	Excellent	1,160,000	30	27	1,050,000
Water Values 20 3" to 16"	No	Excellent	55,000	30	27	50,000
TOTAL SMIC WATER			\$1,325,000			\$1,200,000

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
BUILDINGS						
City Hall and Jail	Yes	Good	\$ 1,892,968	50	25	\$ 947,000
Clinic	Yes	Fair	202,437	45	21	93,121
Ferry Terminal	Yes	Fair	145,093	40	8	29,019
Fire Station	Yes	Poor	758,190	40	25	466,092
Hospital	Yes	Fair	3,750,715*	45	21	1,724,239
Library	Yes	Average	615,198	45	30	412,182
Senior Community Center	Yes	Excellent	1,169,960	40	34	996,641
Fire Storage Building	Yes	Poor	20,852	35	7	4,171
Treks and Voyages	Yes	Average	19,040	35	20	11,043
Teen Center	Yes	Fair	91,582	40	10	23,000
Parks and Recreation Warehouse	Yes	Poor	257,636	35	7	51,527
Dog Pound	Yes	Good	15,731	50	39	12,113
Sand Shed	Yes	Poor	57,614	35	4	5,762
Mechanic Garage	Yes	Average	184,730	35	17	88,670
Steam Truck Garage	Yes	Average	21,778	35	25	15,680

*Based on replacement of an equivalent building. The City is in the process of planning a more modernized facility with many upgraded features.

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
BUILDINGS (CONTINUED)						
Tire Storage Garage	Yes	Poor	29,926	35	7	5,985
Harbor Master Office	Yes	Average	183,479	35	19	99,078
SMIC Warehouse	Yes	Excellent	247,000	35	35	244,000
3 Restrooms	No		139,000	30	25	116,000
2 Pavilions (Waterfront)	No		60,000	30	25	50,000
TOTAL BUILDINGS			\$9,862,929			\$5,395,323

Exhibit 2.1 (Continued)
FIXED ASSET INVENTORY, CONDITION, REPLACEMENT COST, LIFE AND MARKET VALUE

Asset	Physical Inventoried	Condition	Replacement Cost	Useful Life	Life Remaining	Market Value
VEHICLE AND MOBILE EQUIPMENT						
Port and Harbor	Yes	Various	\$1,419,009	Various	Various	\$1,041,910
Electric Utility	Yes	Various	493,850	Various	Various	206,785
Water and Sewer	Yes	Various	138,875	Various	Various	43,845
General Fund - Administrative	Yes	Various	37,600	Various	Various	13,915
General Fund - Fire Department	Yes	Various	846,775	Various	Various	312,430
General Fund - Building Inspection	Yes	Various	8,950	Various	Various	4,075
General Fund - Police Department	Yes	Various	138,420	Various	Various	67,435
General Fund - Park and Recreation	Yes	Various	103,300	Various	Various	42,185
General Fund - Shop	Yes	Various	19,250	Various	Various	4,760
General Fund - Streets and Maintenance	Yes	Various	1,564,420	Various	Various	442,177
TOTAL VEHICLE AND MOBILE EQUIPMENT			\$4,770,449			\$2,179,517
GRAND TOTAL VALUE, ALL CITY ASSETS			\$138,258,378			\$90,399,840

CITY OF SEWARD, ALASKA

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**Exhibit 4.1
FIXED ASSET ADDITIONS**

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
STATIONARY PORT AND HARBOR FACILITIES					
North Wharf					
Paving 4" x 425' x 85'			115,000		
TOTAL PORT AND HARBOR COSTS	\$0	\$0	\$115,000	\$0	\$0
MAJOR HOSPITAL COSTS					
Capital Additions					
Emergency Exit Doors	\$4,500				
Refrigerators	6,000				
Operating Room Table	12,500				
Patient Room Sets	7,900				
Kitchen Range	6,000				
Endoscope	13,000				
Sterilizer	14,500				
Radiology Upgrade			\$65,000		
Recovery Room Stretcher	5,000				
Wheel Chair ramp	7,500				
Pharmacy Flow Hood	1,000				
Anesthesiology		\$45,000			
Pulse Oxi-meter		12,000			
Fire Alarm		20,000			
Computer System		150,000			
Other				\$60,000	
Contingency	1,500				
TOTAL MAJOR HOSPITAL COSTS	\$79,400	\$227,000	\$65,000	\$60,000	\$0
STREETS AND SIDEWALKS					
TOTAL STREET AND SIDEWALK COSTS	\$0	\$0	\$0	\$0	\$0
HYDROELECTRIC GENERATION PROJECT					
Subsurface Collection System		100,000			
TOTAL HYDROELECTRIC GENERATION PROJECT	\$0	\$100,000	\$0	\$0	\$0

4. ANTICIPATED FIXED ASSET ADDITION COSTS

Exhibit 4.1 on the following page presents the fixed asset addition costs that we expect the City of Seward to face over the five years between 1991 and 1995. These costs were identified in part through our review of existing capital plans, in part through our discussions with City staff, and in part through our observations and assessments of the condition of the City's fixed assets as we conducted the fixed asset inventory. Costs are grouped according to City Fund, and, within the General Fund, according to City Department. In each instance, the cost shown is related to a specific asset to be acquired, and that asset is noted.

For each of the assets shown in Exhibit 4.1, costs are presented in 1991 dollars. Actual dollar prices of assets may be expected to rise with inflation over the five year period in question.

The following sections briefly describe the major fixed assets which the City expects to add to its asset stock over the coming five years. As can be seen, many of the costs for fixed asset additions are related to the City's on-going development of the infrastructure for the Seward Marine Industrial Center and the Spring Creek area on the opposite side of Resurrection bay from downtown.

STATIONARY PORT AND HARBOR FACILITIES

In fiscal year 1993-94, the City plans to pave the North Dock to allow for heavier use and greater durability. As noted in Chapter III, this paving will also reduce the need to periodically regrade the existing gravel surface.

MAJOR HOSPITAL EQUIPMENT

The City expects to add a variety of equipment, fixtures and furnishings to the Hospital over the coming five years. The primary components of this addition program include a new computer system, and upgraded anesthesiology and radiology facilities.

STREETS AND SIDEWALKS

The City does not have current plans to add significantly to its network of streets and sidewalks in the coming five years. (Recall that many City sidewalks will be replaced in the 1990-91 fiscal year, which is not presented in Exhibit 4.1, and that the sidewalk work is to replace an existing asset, not add a new asset.)

Exhibit 4.1 (Continued)
FIXED ASSET ADDITIONS

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
ELECTRICITY TRANSMISSION AND BACKUP GENERATION					
In-City Distribution System					
Downtown Feeder Line Addition			\$150,000		
Salmon Creek Road Line Addition			110,000		
Total	\$0	\$0	\$260,000	\$0	\$0
Spring Creek Substation					
12.5 KV Switch at SMIC		\$10,000			
SMIC Area Distribution System			\$118,000	\$118,000	\$118,000
Total	\$0	\$10,000	\$118,000	\$118,000	\$118,000
TOTAL ELECTRICITY TRANSMISSION AND BACKUP GENERATION	\$0	\$10,000	\$378,000	\$118,000	\$118,000
SEWAGE COLLECTION AND TREATMENT SYSTEM					
Townside System					
Dairy Hill Sewer District Addition			150,000		
SMIC System					
2,500 Linear Feet of 8" Duct Iron Piping			\$122,500		\$122,500
Ten Manholes			30,000		30,000
Lift Station			62,500		62,500
Total	\$0	\$0	\$215,000	\$0	\$215,000
TOTAL SEWAGE COLLECTION AND TREATMENT SYSTEM	\$0	\$0	\$365,000	\$0	\$215,000
WATER PRODUCTION AND DISTRIBUTION SYSTEM					
SMIC System					
1,200 Linear Feet of 10" Piping			68,232		68,232
Two 10" Valves			5,620		5,620
600 Linear Feet of 8" Piping			29,382		29,382
Four 8" Valves			7,280		7,280
1,200 Linear Feet of 12" Piping			63,192		63,192
Six 12" Valves			23,520		23,520
Ten Fire Hydrants			20,000		20,000
TOTAL WATER PRODUCTION AND DISTRIBUTION SYSTEM	\$0	\$0	\$217,226	\$0	\$217,226
CITY TOTAL	\$79,400	\$337,000	\$1,140,226	\$178,000	\$590,226

HYDROELECTRIC GENERATION PROJECT

The City expects to add a subsurface collection system which will cost approximately \$100,000 in fiscal year 1992-93.

ELECTRICITY TRANSMISSION AND BACKUP GENERATION

The City anticipates adding/upgrading a feeder line to the downtown area in order to supply increasing demand generated by the City's growth in coming years. The cost of the addition/upgrade would be \$150,000 in fiscal year 1993-94. Similarly, and in the same year, the City expects to reroute and upgrade a distribution line to Salmon Creek Road at a cost of approximately \$110,000.

As part of the continuing development of infrastructure at the Seward Marine Industrial Center, the City expects to add a 12.5 K switch at the Spring Creek Electric substation. Additionally, a more extensive distribution network will be phased-in in the SMIC/Spring creek area, at an anticipated cost of \$118,000 per year between fiscal years 1993-94 and 1995-96.

SEWAGE COLLECTION AND TREATMENT SYSTEM

The City anticipates an addition to the townside sewer system in the Dairy Hill Sewer District to cost approximately \$150,000 in fiscal year 1993-94.

As the SMIC system is developed, piping, manholes and a lift station will need to be added, in phases, in fiscal years 1993-94 and 1995-96, at a total cost of about \$215,000 each year.

WATER PRODUCTION AND DISTRIBUTION SYSTEM (TOWNSIDE AND SMIC)

The townside water system is well developed, and not currently in need of expansion or addition. The City does expect to add significantly to the very limited distribution network now in place at SMIC/Spring Creek, however, and plans to do so in two phases - one in fiscal year 1993-94, and one in 1995-96. Each phase is expected to cost approximately \$217,000.

BUILDINGS

The City does not currently have plans to add to its stock of buildings using its own funding sources.

VEHICLES AND MOBILE EQUIPMENT

The City does not anticipate adding any vehicles or mobile equipment to its current inventory.

CITY OF SEWARD, ALASKA

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3. ANTICIPATED MAJOR FIXED ASSET MAINTENANCE, REPAIR AND REPLACEMENT EXPENDITURE REQUIREMENTS

Exhibit 3.1 on the following page presents the major capital maintenance requirements that we expect the City of Seward to face over the five years between 1991 and 1995. These requirements were identified in part through our review of existing capital plans, in part through our discussions with City staff, and in part through our observations of the City's fixed assets as we conducted the fixed asset inventory. Expenditure requirements are grouped according to City Fund, and, within the General Fund, according to City Department. In each instance, the expenditure shown is related to a specific asset, and that asset is noted. Not all assets listed in our inventory, which was presented in Exhibit II.1, are included in Exhibit 3.1. Only those assets for which some major maintenance will be required over the next five years are included here.

For each of the assets shown in Exhibit 3.1, the maintenance and repair costs may include City labor time, materials and supplies, and/or purchased services. Replacement costs are typically for an identical asset, but in a few instances, we have identified comparable more current assets as more suitable replacement alternatives.

All costs are presented in 1991 dollars, which may be expected to rise with inflation over the five year period in question. In most cases, there is an anticipated real increase in costs, however (above inflation), usually of about five percent each year, which is incorporated into the anticipated costs. The following sections briefly describe the major maintenance and repairs which are included in Exhibit 3.1.

STATIONARY PORT AND HARBOR FACILITIES

The Synchrolift dock and breakwater pilings will require painting, and this project has been spread over two years, fiscal years 1991-92 and 1992-93. Once during the five year period, the impress current system which helps reduce corrosion, must be inspected. Finally, we expect that the dock's wood buffer system will need repairs or partial replacement in fiscal year 1994-95.

The synchrolift motors, decking, cables, bearings, and other parts must be inspected regularly as a safety precaution, and to ensure continued proper operation. It is expected that, over time, wear and tear on these parts will require gradual replacement. For example the amount estimated here includes three new motors each year (out of 28 winches), and two new cables each year, amongst other parts.

Exhibit 3.1
FIXED ASSET MAINTENANCE, REPAIR AND REPLACEMENT COSTS

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
STATIONARY PORT AND HARBOR FACILITIES					
Synchrolift Dock and Breakwater					
Paint Pilings	\$28,000	\$28,000			
Impress Current Inspection	4,000		4,000		
Replace Wood Buffer System				18,000	
Total	\$32,000	\$28,000	\$4,000	\$18,000	\$0
Synchrolift Platform with Winches & Controls					
Replace Motors/Decking/Cables/Bearings/Misc.	21,785	22,874	23,964	25,053	26,142
Inspection Costs (Outside inspectors)	22,950	24,098	25,245	26,393	27,540
Inspection Costs (City labor)	31,500	33,075	34,650	36,225	37,800
Insurance Costs	48,360	50,778	53,196	55,614	58,032
Total	\$124,595	\$130,825	\$137,055	\$143,284	\$149,514
Synchrolift Rail System					
Inspection Costs (Outside inspectors)	\$1,275	\$1,339	\$1,403	\$1,466	\$1,530
Inspection Costs (City labor)	1,750	1,838	1,925	2,013	2,100
Insurance Costs	24,180	25,389	26,598	27,807	29,016
Rail Adjustment	980	1,022	1,078	1,127	1,176
Total	\$28,185	\$29,594	\$31,004	\$32,413	\$33,822
Synchrolift Side Transfer Carriage					
Inspection Costs (Outside inspectors)	\$1,275	\$1,339	\$1,403	\$1,466	\$1,530
Inspection Costs (City labor)	1,750	1,838	1,925	2,013	2,100
Insurance Costs	8,060	8,463	8,866	9,269	9,672
Paint	310	326	341	357	372
Total	\$11,395	\$11,965	\$12,535	\$13,104	\$13,674
North Wharf					
Bumpers	\$2,400	\$2,520	\$2,640	\$2,760	\$2,880
Grade Gravel	4,200	4,410			
Total	\$6,600	\$6,930	\$2,640	\$2,760	\$2,880
Inlet Salmon Wharf					
All maintenance done by Inlet Salmon	0	0	0	0	0
Ferry Wharf					
Resurface Asphalt		\$4,000			
Batterboard Replacement				\$20,000	
Total	\$0	\$4,000	\$0	\$20,000	\$0
250 Ton Travel Lift Dock					
Paint Pilings	\$290				
Concrete Sealer					\$200
Zinc Coating					1,130
Miscellaneous Labor					140
Total	\$290	\$0	\$0	\$0	\$1,470

Exhibit 3.1 (Continued)

FIXED ASSET MAINTENANCE, REPAIR AND REPLACEMENT COSTS

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
STATIONARY PORT AND HARBOR FACILITIES (Continued)					
City Fish Wharf Dock					
Miscellaneous Parts and Labor	\$1,000	\$1,050	\$1,100	\$1,150	\$1,200
City T-Dock					
Miscellaneous Parts and Labor	\$500	\$525	\$550	\$575	\$600
City 50 Ton Fixed Wood Dock					
Miscellaneous Parts and Labor	\$1,000	\$1,050	\$1,100	\$1,150	\$1,200
Small Boat Floating Dock					
(City-maintained, but State-owned)					
Piling replacement	\$14,400	\$19,200	\$24,000	\$28,800	\$33,600
Decking	25,000	25,000	25,000	25,000	25,000
Electrical Lighting	15,000	15,000	15,000	15,000	15,000
Water System	500	500	500	500	500
Total	\$54,900	\$59,700	\$64,500	\$69,300	\$74,100
TOTAL PORT AND HARBOR COSTS	\$260,465	\$273,639	\$254,483	\$301,736	\$278,460
MAJOR HOSPITAL COSTS					
Building Repairs					
Roof Repairs	\$1,500				
General Repairs, Labor		\$8,000	\$8,400	\$8,800	\$9,200
General Repairs, Material		4,350	4,568	4,785	5,003
Inspections		5,000	5,250	5,500	5,750
TOTAL MAJOR HOSPITAL COSTS	\$1,500	\$17,350	\$18,218	\$19,085	\$19,953
STREETS AND SIDEWALKS					
Paved Asphaltic Concrete Roadway					
Gravel Roadway					
Gravel Roadway (Non-Municipal-Revenue)					
Curb and Gutter					
Sidewalks					
Resurface, Overlay, and Chip Seal Roadways;	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Repair Curbs and Gutters					
TOTAL STREET AND SIDEWALK COSTS	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
HYDROELECTRIC GENERATION PROJECT					
Miscellaneous Costs				\$2,500	\$2,500
TOTAL HYDROELECTRIC GENERATION PROJECT	\$0	\$0	\$0	\$2,500	\$2,500

Exhibit 3.1 (Continued)
FIXED ASSET MAINTENANCE, REPAIR AND REPLACEMENT COSTS

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
ELECTRICITY TRANSMISSION AND BACKUP GENERATION					
Fort Raymond Substation Battery Room		\$45,000			
In-City Distribution System Replace Old Secondary Line			150,000		
Backup Electrical Generation System Replace Two 1.5 MW Generators with a 3 MW Generator			\$1,900,000		
TOTAL ELECTRICITY TRANSMISSION AND BACKUP GENERATION	\$0	\$45,000	\$2,050,000	\$0	\$0
SEWAGE COLLECTION AND TREATMENT SYSTEM					
Townside System Repairs and Maintenance	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
SMIC System Repairs and Maintenance	\$0	\$0	\$0	\$0	\$0
TOTAL SEWAGE COLLECTION AND TREATMENT SYSTEM	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
WATER PRODUCTION AND DISTRIBUTION SYSTEM					
Townside System General Repairs	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
SMIC System General Repairs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
TOTAL WATER PRODUCTION AND DISTRIBUTION SYSTEM	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
VEHICLES AND MOBILE EQUIPMENT					
Crawler bulldozer (Electric Utility)			40,250		
Utility vehicle (Ford Bronco)			19,800		
Police cruiser (Police Department)	21,110	21,110	21,110	21,110	21,110
TOTAL VEHICLES AND MOBILE EQUIPMENT	\$21,110	\$21,110	\$81,160	\$21,110	\$21,110
CITY TOTAL	\$468,075	\$542,099	\$2,588,860	\$829,431	\$887,823

Synchrolift Rail System and Synchrolift Side Transfer Carriage maintenance and repair costs are mostly inspection and insurance related, a very small part is for adjustment of the rails, and paint for the carriage.

The North Wharf, like the Synchrolift Dock, will require periodic repairs and replacement of its wood buffer system, which is worn as boats dock against it. Additionally, its gravel surface will need to be graded regularly until fiscal year 1993-94, when it will have been paved.

As noted, all Inlet Salmon Dock maintenance is done by the Inlet Salmon firm. No repairs are required.

The Ferry Wharf, while its use continues, will require resurfacing of its asphalt surface, and replacement of the wooden buffer/batterboards.

The relatively new dock for the City's 250-ton capacity Travel Lift will have few maintenance costs in the next five years. Protective paint, concrete sealer, zinc coating, and related miscellaneous labor are the only anticipated costs.

The generally good condition of the City's Fish Wharf Dock, "T-Dock" and the dock for the 50-ton Travel Lift all result in low anticipated maintenance costs. Further, since a single firm is the primary user of the City's "T-Dock," the City has reached an agreement with that firm to equally share the cost of maintaining that dock.

Over the next five fiscal years, the State-owned but City-maintained small boat harbor dock will require a growing program to gradually replace all of the pilings which hold it in place within the harbor. As well, in a gradual program over the coming five years, the City will gradually replace/upgrade the small boat harbor dock's decking, electrical lighting and water system.

MAJOR HOSPITAL COSTS

Though the City's plans may change if it does not receive State funding to replace the Hospital, it should be prepared to make certain roof repairs, as well as general plumbing, electrical and heating system repairs to the current building.

STREETS AND SIDEWALKS

We have estimated the full cost of the annual streets and roads maintenance program to be \$150,000 for all resurfacing, overlays, chip seals, curb and gutter repair, etc. Note that these costs do not include the estimated \$125,000 required to replace sidewalks in the 1990-91 fiscal year.

HYDROELECTRIC GENERATION PROJECT

We anticipate that a subsurface collection system will cost approximately \$100,000 in fiscal year 1992-93, and that small miscellaneous costs will arise in later years.

ELECTRICITY TRANSMISSION AND BACKUP GENERATION

The City plans to replace the battery room at the Fort Raymond substation in fiscal year 1992-93, and to replace an old and undersized secondary line in the downtown area in fiscal year 1993-94.

By far the City's largest fully internally funded fixed asset cost over the coming five years is its plan to replace two backup 1.5 MW generators with a single new 3 MW generator in fiscal year 1993-94 at a cost estimated at \$1,900,000.

SEWAGE COLLECTION AND TREATMENT SYSTEM

We have estimated general maintenance and repairs to the townside sewer system to cost about \$10,000 annually. The newer SMIC system is currently much less extensive, and we have estimated no maintenance and repair costs for it in the coming five years.

WATER PRODUCTION AND DISTRIBUTION SYSTEM (TOWNSIDE AND SMIC)

We have estimated the cost of general repairs and replacement of minor parts in the both the townside and SMIC systems at steady and low levels over the next five years: \$15,000 for the townside system, and \$10,000 for the SMIC system.

VEHICLES AND MOBILE EQUIPMENT

The Police Department, within the City's General Fund, expects to replace one police cruiser each year. The Electric Utility anticipates replacing the utility vehicle currently used by the Staking Engineer, and an aging crawler bulldozer in fiscal year 1992-93 as well.

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5. SCHEDULE OF ESTIMATED CAPITAL NEEDS

Exhibit 5.1, on the following page, presents the total major fixed asset maintenance, repair, addition and replacement costs for the next five years. As with the Exhibits in previous Chapters, the costs in Exhibit 5.1 are grouped according to City Fund, and, within the General Fund, according to City Department. This Exhibit simply adds together the costs presented in Exhibits 3.1 and 4.1 for each year. As can be seen in Exhibit 5.1, the total, City-wide fixed asset costs for the next five years are:

1991	-	\$ 547,475
1992	-	879,099
1993	-	3,729,086
1994	-	707,431
1995	-	1,057,249

The detail supporting each of these figures can be found in Exhibit 5.1 on the following pages.

**Exhibit 5.1
FIVE YEAR FIXED ASSET COST SUMMARY**

	1991-92	1992-93	1993-94	1994-95	1995-96
STATIONARY PORT AND HARBOR FACILITIES					
Total Capital Asset Additions	\$0	\$0	\$115,000	\$0	\$0
Total Asset Maintenance and Repair Costs	260,465	273,639	254,483	301,736	278,460
TOTAL PORT AND HARBOR COSTS	\$260,465	\$273,639	\$369,483	\$301,736	\$278,460
MAJOR HOSPITAL COSTS					
Total Capital Asset Additions	\$79,400	\$227,000	\$65,000	\$60,000	\$0
Total Asset Maintenance and Repair Costs	1,500	17,350	18,218	19,085	19,953
TOTAL MAJOR HOSPITAL COSTS	\$80,900	\$244,350	\$83,218	\$79,085	\$19,953
STREETS AND SIDEWALKS					
Total Capital Asset Additions	\$0	\$0	\$0	\$0	\$0
Total Asset Maintenance and Repair Costs	150,000	150,000	150,000	150,000	150,000
STREETS AND SIDEWALKS	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
HYDROELECTRIC GENERATION PROJECT					
Total Capital Asset Additions	\$0	\$100,000	\$0	\$0	\$0
Total Asset Maintenance and Repair Costs	0	0	0	2,500	2,500
TOTAL HYDROELECTRIC GENERATION PROJECT	\$0	\$100,000	\$0	\$2,500	\$2,500
ELECTRICITY GENERATION AND BACKUP GENERATION					
Total Capital Asset Additions	\$0	\$10,000	\$378,000	\$118,000	\$118,000
Total Asset Maintenance and Repair Costs	0	45,000	2,050,000	0	0
TOTAL ELECTRICITY GENERATION AND BACKUP GENERATION	\$0	\$55,000	\$2,428,000	\$118,000	\$118,000
SEWAGE COLLECTION AND TREATMENT SYSTEM					
Total Capital Asset Additions	\$0	\$0	\$365,000	\$0	\$215,000
Total Asset Maintenance and Repair Costs	10,000	10,000	10,000	10,000	10,000
TOTAL SEWAGE COLLECTION AND TREATMENT SYSTEM	\$10,000	\$10,000	\$375,000	\$10,000	\$225,000

Exhibit 5.1 (Continued)
FIVE YEAR FIXED ASSET COST SUMMARY

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
WATER PRODUCTION AND DISTRIBUTION SYSTEM					
Total Capital Asset Additions	\$0	\$0	\$217,226	\$0	\$217,226
Total Asset Maintenance and Repair Costs	25,000	25,000	25,000	25,000	25,000
TOTAL WATER PRODUCTION AND DISTRIBUTION SYSTEM	\$25,000	\$25,000	\$242,226	\$25,000	\$242,226
VEHICLES AND MOBILE EQUIPMENT					
Total Capital Asset Additions	\$0	\$0	\$0	\$0	\$0
Total Asset Maintenance and Repair Costs	21,110	21,110	81,160	21,110	21,110
TOTAL VEHICLES AND MOBILE EQUIPMENT	\$21,110	\$21,110	\$81,160	\$21,110	\$21,110
CITY TOTAL					
Total Capital Asset Additions	\$79,400	\$337,000	\$1,140,226	\$178,000	\$530,226
Total Asset Maintenance and Repair Costs	\$468,075	\$542,099	\$2,588,860	\$529,431	\$507,023
GRAND TOTAL	\$547,475	\$879,099	\$3,729,086	\$707,431	\$1,037,249

Finally, we present here a summary of replacement costs and fair market value for the City's major assets, by City Fund, and, within the General Fund, by City Department:

<u>Fund or Department</u>	<u>Replacement Cost</u>	<u>Fair Market Value</u>
Stationary Port and Harbor Facilities	\$ 40,250,000	\$ 32,150,000
Major Hospital Equipment	500,000	250,000
Streets and Sidewalks	10,325,000	6,925,000
Hydroelectric Generation Project	1,300,000	775,000
Electricity Transmission and Backup Generation	47,650,000	28,300,000
Sewage Collection and Treatment System	15,725,000	9,875,000
Townside Water Production and Distribution System	6,550,000	3,350,000
SMIC Water Production and Distribution System	1,325,000	1,200,000
Buildings	9,863,000	5,395,000
Vehicles and Mobile Equipment	<u>4,770,000</u>	<u>2,180,000</u>
TOTAL	\$ <u>138,258,000</u>	\$ <u>90,400,000</u>

CITY OF SEWARD, ALASKA

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APPENDIX A

**ESTIMATED REPLACEMENT COSTS AND
MARKET VALUES FOR CITY VEHICLES**

**A. ESTIMATED REPLACEMENT COSTS AND
MARKET VALUES FOR CITY VEHICLES**

This Appendix presents a listing of City vehicles and mobile equipment, including the year of manufacture, the model, estimated replacement cost for a vehicle or piece of equipment which will serve the same purpose, condition, and fair market value.

The vehicles are grouped according to City Fund, and, within the General Fund, according to City Department.

Exhibit A.1
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

PORT AND HARBOR ENTERPRISE FUND

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
59	Light Tractor	1988	John Deere	955	\$ 20,300	Excellent	\$ 18,830
60	Mobile Boat Lift, 50 Ton	1978	Marine Travelift	50 AMO	155,000	Average	35,000
	Mobile Boat Lift, 250 Ton	1989	Marine Travelift	250 AMO	960,000	Excellent	850,000
61	Pickup Truck	1988	Chevy	1500 Cheyenne	15,050	Good	10,825
62	Pickup Truck	1978	Dodge	150	14,100	Fair	4,300
64	Patrol Boat	1985	Boston Whaler	21 Foot	40,384	Good	15,800
65	Pickup Truck	1983	Chevy	C-10	15,300	Average	7,245
66	Pickup Truck (Flatbed)	1986	Chevy	C-30	20,800	Good	13,360
67	Pickup Truck	1987	Ford	F-350	25,475	Good	17,850
68	Patrol Boat	1988	Boston Whaler	25 Foot	72,500	Excellent	60,900
98	Aerial Bucket Truck	1971	Ford	F-800	80,100	Fair	7,800
	TOTAL PORT AND HARBOR				\$1,419,009		\$1,041,910

Exhibit A.1 (Continued)
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

ELECTRIC UTILITY ENTERPRISE FUND

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
1	Pickup Truck	1989	Ford	F-350	\$ 19,050	Excellent	\$ 15,135
91	Cable Layer Truck	1966	International	R 190	33,600	Fair	3,200
93	Digger Truck	1983	Ford	F-800	98,000	Good	37,525
94	Aerial Bucket Truck	1973	Ford	F-600	72,850	Average	15,815
95	Crawler Bulldozer	1973	Case	350	40,250	Fair	7,600
96	Trailer for Bulldozer	1985	Traileze	D10T20	6,500	Good	4,000
99	Wheeled Loader and Backhoe	1976	Case	580 C	44,600	Average	8,500
102	Pickup Truck	1980	Dodge	D-200	15,075	Fair	6,490
103	Pickup Truck	1985	Ford	F-350	19,325	Good	11,020
105	Aerial Bucket Truck	1988	Ford	L9000	130,100	Excellent	89,175
112	Utility Vehcile	1985	Chevy	S-10 Blazer	14,500	Fair	8,325
	TOTAL ELECTRIC UTILITY				\$493,850		\$206,785

Exhibit A.1 (Continued)
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

GENERAL FUND - PARKS AND RECREATION

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
51	Cargo Van	1978	Chevy	C-20	\$ 19,100	Fair	\$ 4,175
52	Pickup Truck	1982	Chevy	S-10	8,950	Average	4,025
53	Passenger Van	1979	Chevy	Suburban	20,000	Fair	6,375
54	Light Tractor	1986	John Deere	750	18,000	Good	6,000
55	Passenger Van	1981	Ford	Econoline	17,800	Fair	5,475
58	Pickup Truck	1989	Ford	F-250	19,450	Excellent	16,135
	TOTAL PARKS AND RECREATION				\$103,300		\$42,185

GENERAL FUND - SHOP

21	Pickup Truck	1977	Dodge	D-200	\$19,250	Fair	\$4,760
	TOTAL SHOP				\$19,250		\$4,760

Exhibit A.1 (Continued)
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

WATER AND SEWER ENTERPRISE FUND

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
4	Wheeled Loader	1980	Case	580 E	\$ 44,600	Average	\$12,000
10	Sewer Jet	1973	Myers	PC60-TA	25,000	Fair	2,000
26	Pickup Truck	1978	Chevy	C-20	18,450	Average	5,460
28	Pickup Truck	1979	Dodge	D-150	16,300	Poor	4,900
29	Pickup Truck with crane	1989	Ford	F-350	21,425	Good	17,810
45	Portable Welder	1977	Lincoln	SA-200	3,500	Average	500
107	Pickup Truck (Light Duty)	1978	Chevy	LUV	9,600	Poor	1,175
	TOTAL WATER AND SEWER				\$138,875		\$43,845

GENERAL FUND - ADMINISTRATION

57	Passenger Van	1984	Ford	E-350	\$21,400	Average	\$ 7,875
109	Pickup Truck	1983	Chevy	S-10	16,200	Good	6,040
	TOTAL ADMINISTRATION				\$37,600		\$13,915

Exhibit A.1 (Continued)
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

GENERAL FUND - FIRE DEPARTMENT

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
80	Pumper Fire Truck	1965	Ford/American	LaFrance	\$114,000	Good	\$ 20,000
81	Pumper Fire Truck	1965	Ford/American	LaFrance	114,000	Good	20,000
82	Pickup Truck	1985	Chevy	C-10	18,500	Average	10,540
83	Cargo Van	1981	Chevy	C-30	23,825	Good	8,200
84	Sport Utility Truck	1985	Chevy	K-5 Blazer	21,200	Average	12,250
85(a)	Pumper Fire Truck	1942	Ford		75,000	Poor	5,000
85(b)	Pumper Fire Truck	1982	Ward	D-300	180,000	Good	85,000
86	Sport Utility Truck	1953	Willys/Jeep		12,000	Fair	300
88	Pumper Fire Truck	1985	Federal	Professional 4	250,000	Excellent	130,000
89(a)	Pickup/Ambulance Truck	1984	Ford	F-350 XL	20,950	Good	14,440
89(b)	Step Van/Emergency Response Truck	1982	Chevy	Step Van	17,300	Average	6,700
	TOTAL FIRE DEPARTMENT				\$846,775		\$312,430

Exhibit A.1 (Continued)
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

GENERAL FUND - BUILDING INSPECTION

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
104	Pickup Truck	1982	Chevy	S-10	\$8,950	Good	\$4,075
	TOTAL BUILDING INSPECTION				\$8,950		\$4,075

GENERAL FUND - POLICE DEPARTMENT

70	Police Cruiser Sedan	1989	Ford	Crown Victoria	\$ 21,100	Average	\$12,840
71	Police Cruiser Sedan	1989	Ford	Crown Victoria	21,100	Good	14,215
72	Passenger Sedan	1990	Chevy	Caprice Classic	19,110	Excellent	15,570
74	Pickup Truck	1976	Chevy	C-10	14,990	Average	4,125
75	Police Cruiser Sedan	1985	Chevy	Impala	20,910	Fair	5,160
77	Passenger Sedan	1983	Chevy	Caprice	20,110	Fair	5,745
79	Police Cruiser Sedan	1987	Ford	Crown Victoria	21,100	Average	9,780
	TOTAL POLICE DEPARTMENT				\$138,420		\$67,435

Exhibit A.1 (Continued)
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

GENERAL FUND - STREETS AND MAINTENANCE

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
1	Wheeled Loader	1979	Allis Chalmers	545	\$ 71,100	Fair	\$ 13,500
2	Motor Grader	1982	Caterpillar	140	170,300	Good	85,650
3	Motor Grader	1963	Caterpillar	12 E	151,950	Fair	16,000
4	Motor Grader	1968	Caterpillar	120	113,850	Fair	16,800
6	Street Sweeper	1984	Weldon	Versasweeper	76,000	Excellent	35,000
7	Crawler Bulldozer	1988	Caterpillar	D6D	141,310	Excellent	80,175
8	Wheeled Loader	1979	Ford	A66	132,300	Average	24,500
9	Wheeled Loader	1980	Caterpillar	966 C	174,860	Average	58,000
12	Motor Grader	1982	Champion	740	144,600	Good	46,800
15	Dump Truck	1971	International	Loadstar 1600	28,900	Poor	2,200
16	Sand Spreader Truck	1971	International		56,000	Fair	6,000
17	Streamer Truck	1958	Ford	F800	48,900	Poor	6,400
18	Water Truck	1962	International		69,000	Poor	1,500
19	Dump Truck	1978	Chevy	C-65	44,000	Good	9,060
20	Dump Truck	1984	Ford	F-800	36,000	Good	11,600
22	Dump Truck	1971	Dodge		35,000	Fair	2,100
24	Pickup Truck	1983	Ford	F-250	14,100	Average	7

1017

Exhibit A.1 (Continued)
ESTIMATED REPLACEMENT COSTS AND MARKET VALUES FOR CITY VEHICLES

City Vehicle Number	Description	Year of Manufacture	Manufacturer	Model	Replacement Cost	Condition	Fair Market Value
25	Pickup/Dump Truck	1988	GMC	3500 Sierra	17,000	Good	12,225
27	Pickup Truck	1977	Dodge	D-100	10,750	Fair	3,850
38	Air Compressor (Portable)	1981	Joy	125 CFM	5,500	Average	1,200
40	Asphalt Reclaimer	1971	Bomag	AR 5	18,000	Fair	1,500
46	Lowboy Trailer	1942	American	5835	5,000	Poor	500
	TOTAL STREET AND MAINTENANCE				\$1,564,420		\$442,177

	TOTAL ALL VEHICLES AND MOBILE EQUIPMENT				\$4,770,449		\$2,179,517
--	--	--	--	--	--------------------	--	--------------------



MATANUSKA-SUSITNA BOROUGH

Borough Manager

350 E. Dahlia Avenue, Palmer, Alaska 99645-6488
Phone (907) 745-9689 • FAX (907) 745-9845

October 20, 1997

The Honorable Eldon Mulder
House of Representatives
Alaska State Capitol
Room 501
Juneau, Alaska 99801-1182

Dear Representative Mulder:

I wish to thank each member of the Deferred Maintenance Task Force for the work you are doing on these important considerations and especially for your attendance at the hearing on deferred maintenance held in Wasilla on October 1, 1997.

It can be safely said that the deferred maintenance and deteriorating condition of our schools and roads is easily the highest legislative priority for the people of the Matanuska-Susitna Borough. We are confident that the Deferred Maintenance Task Force is equally cognizant of this very critical need.

I have enclosed copies of the graphic materials that were part of the Borough's presentation at the hearing in Wasilla. Also enclosed is information requested by the committee relating to the motor vehicle registration tax established by the Borough Assembly which will be used to fund the maintenance and paving of roads within the Matanuska-Susitna Borough.

Thanks again for your very close attention to this critical issue.

Sincerely,

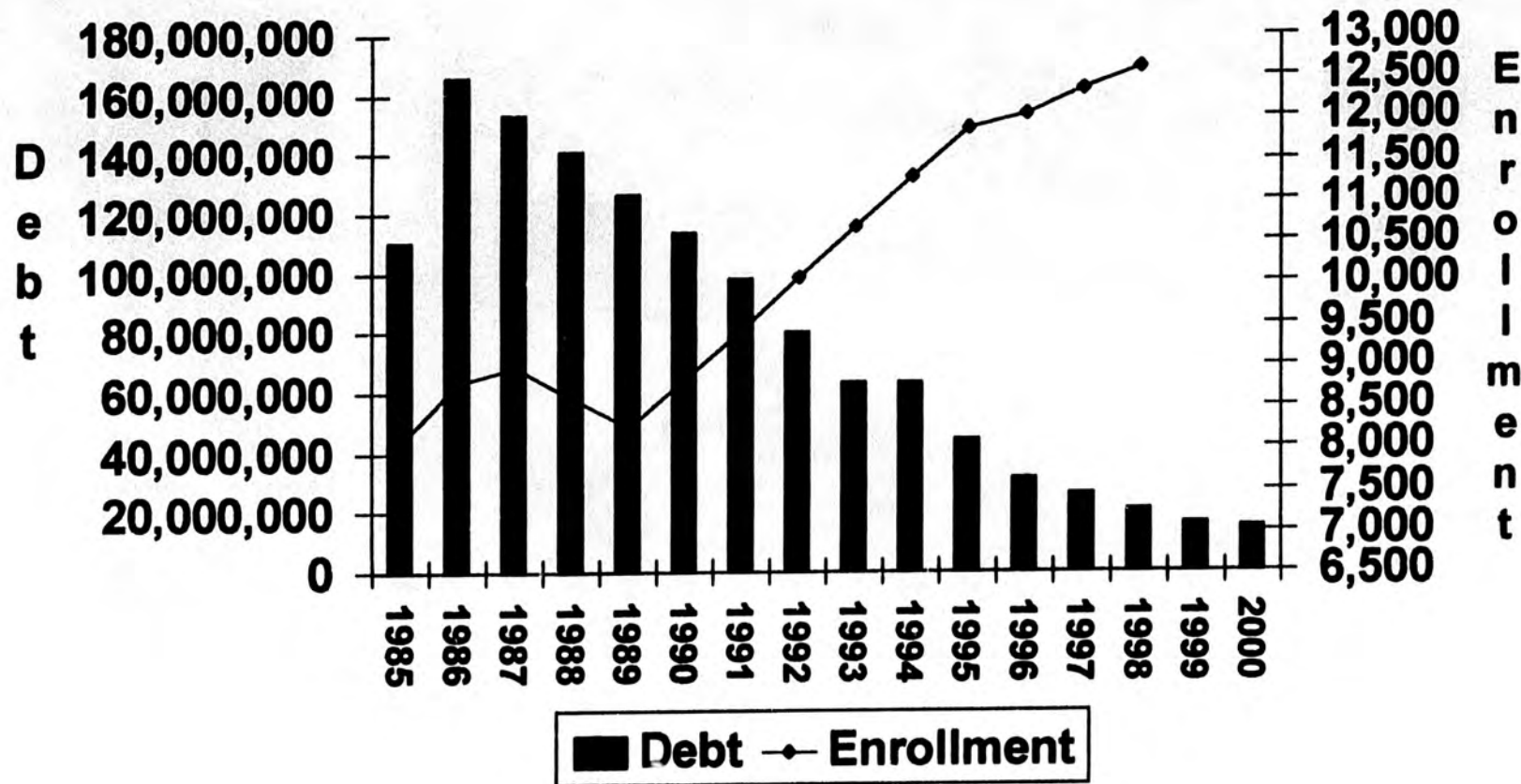
A handwritten signature in cursive script, reading "Donald L. Moore".

Donald L. Moore
Borough Manager

DLM:nt
Enclosures

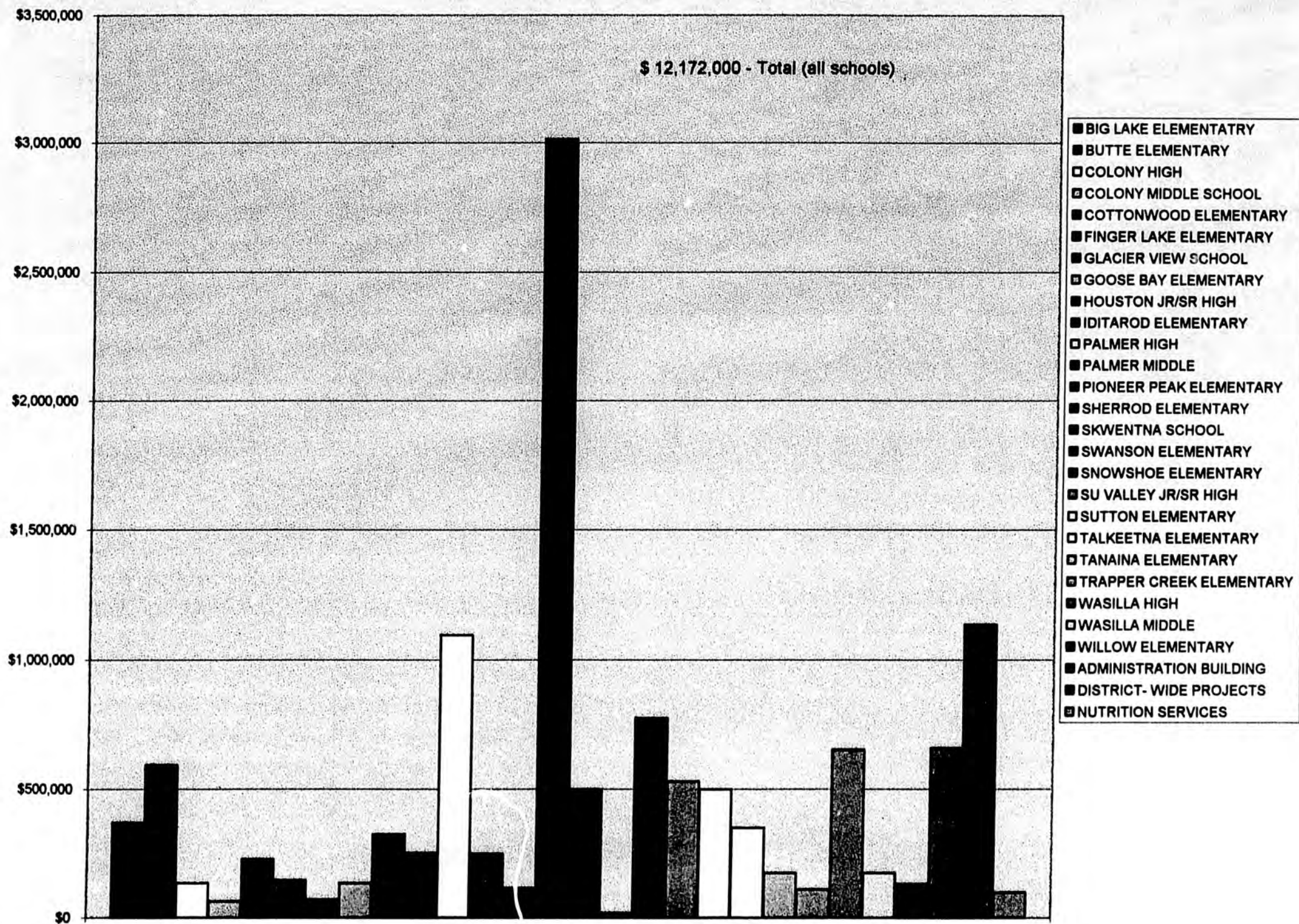
Matanuska-Susitna Borough

School Construction Debt VS Enrollment

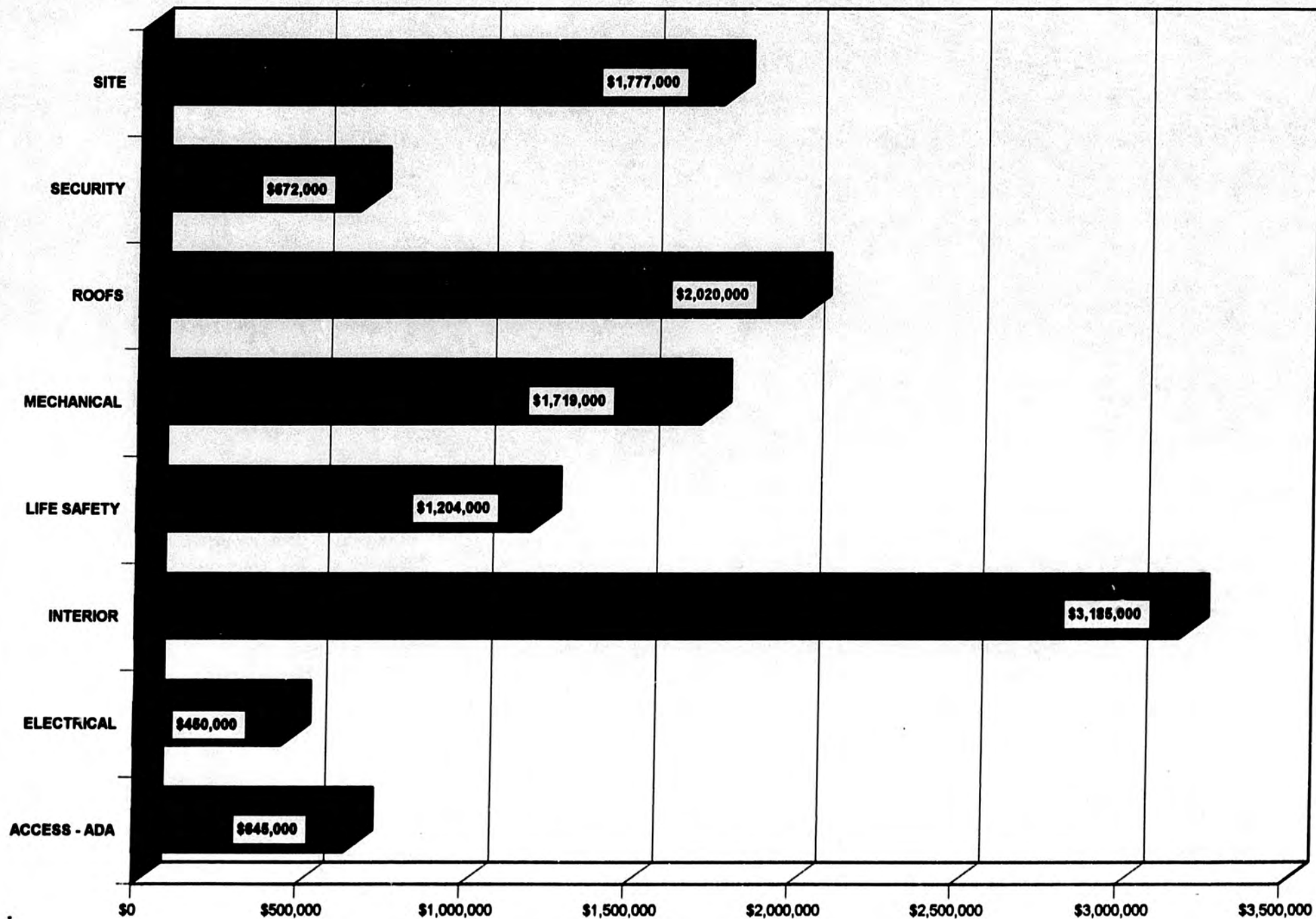


Prepared by Finance

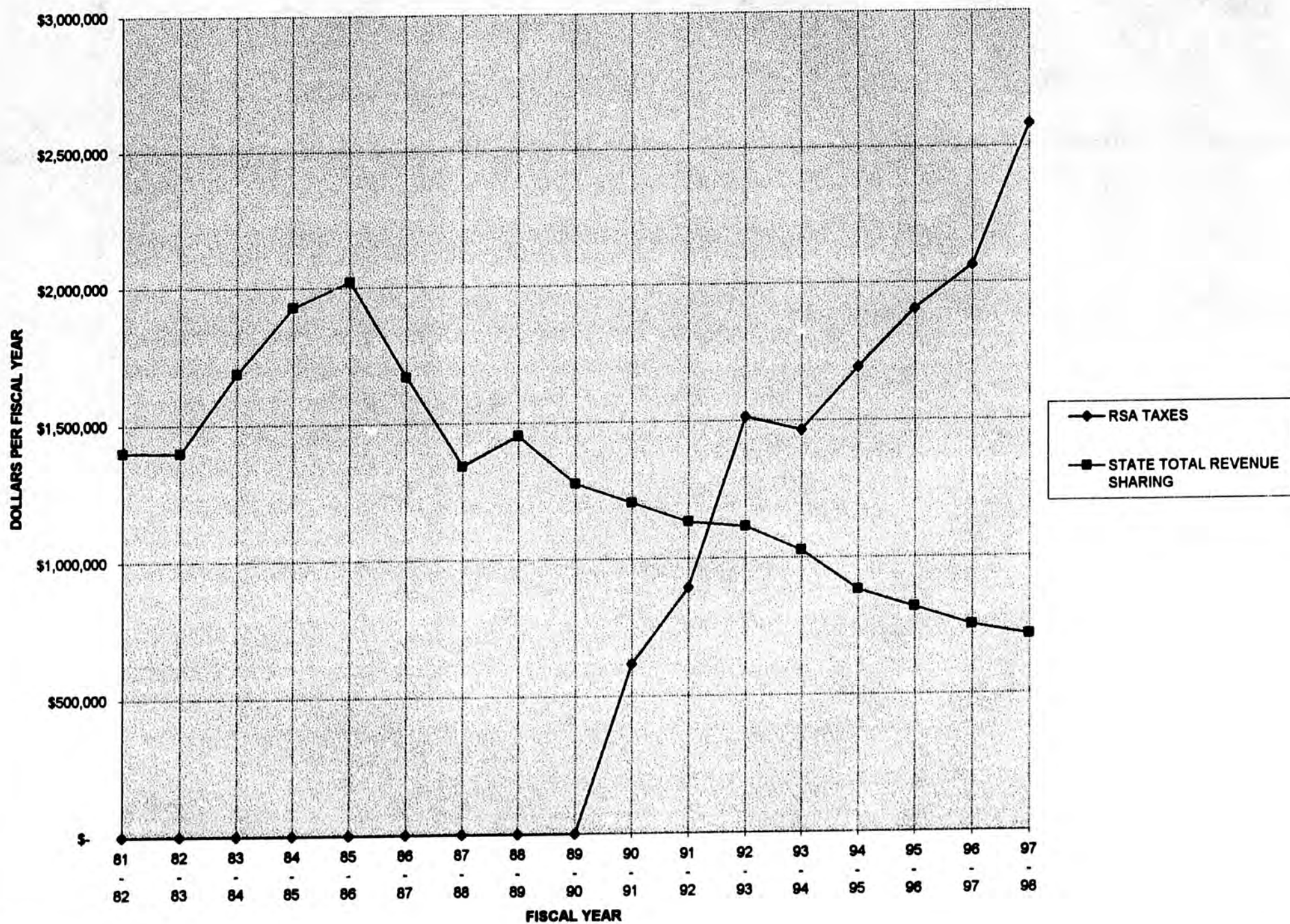
MSB Schools Deferred Maintenance Projects



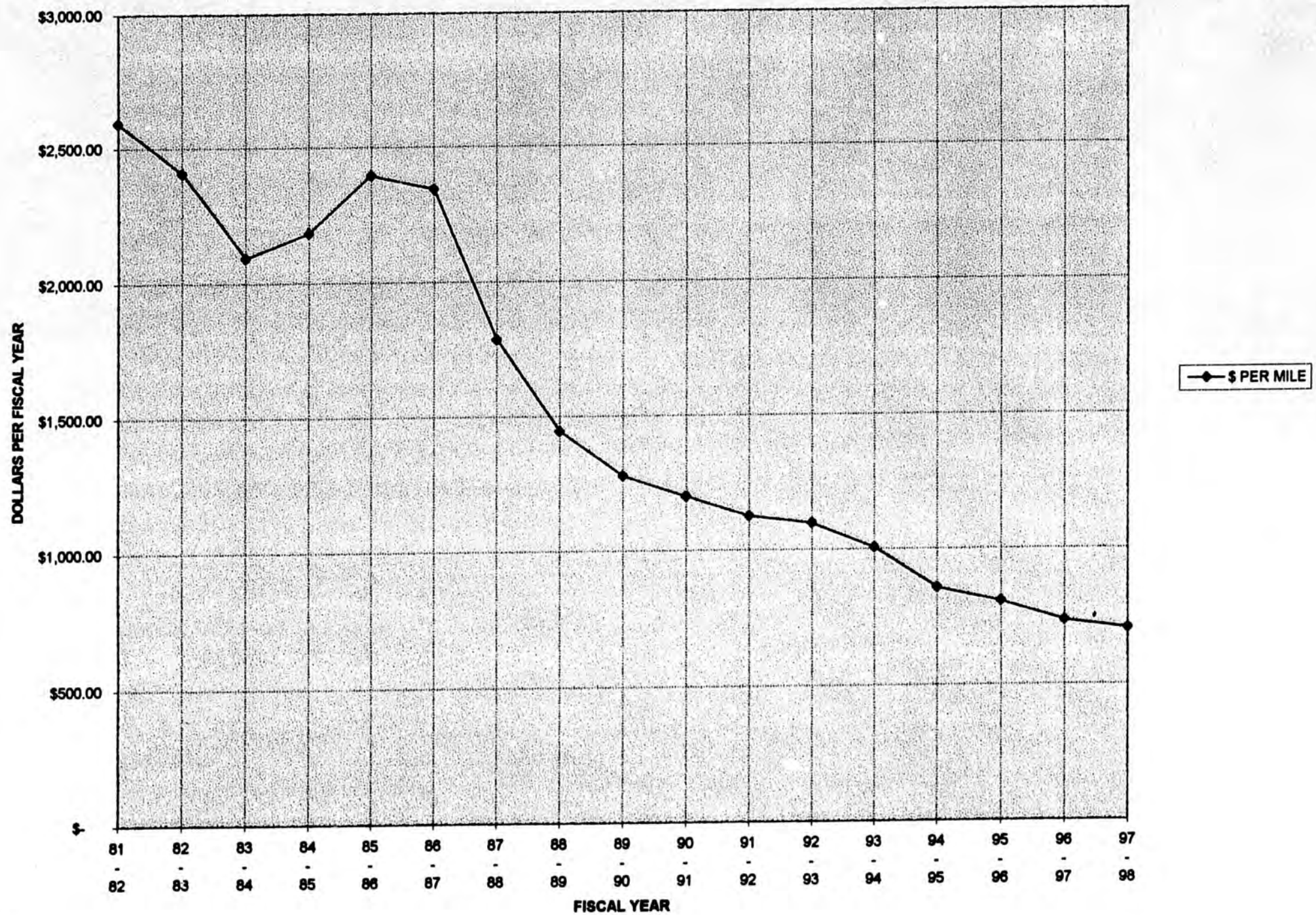
MSB SCHOOLS DEFERRED MAINTENANCE-BY CATEGORIES



RSA TAXES VERSUS STATE REVENUE SHARING



RSA DOLLARS PER MILE FROM STATE REVENUE SHARING



BOROUGH ASSEMBLY DOCUMENT
CONTROL & AM/IM FORM

Matanuska-Susitna Boroug
350 E. Dahlia Avenue
Palmer, Alaska 99645-6488

For Agenda of: October 15, 1996

No. AM 96-291

SUBJECT: Ordinance establishing a motor vehicle registration
tax as authorized by SCS CSHB 272

ATTACHMENTS: Fiscal Note: Yes x No
Ordinance Serial No. 96-141

Route	Department/Committee/Individual	Initial	Remarks
	D. Mayo Ext. 630	<i>[Signature]</i>	Originator
	Assessor		
	Public Safety Director		
	Public Works Director		
	Planning Director		
	Finance Director		
	Attorney		
	Assistant to the Manager		
	Clerk		

SUMMARY STATEMENT

Last year the legislature authorized the municipalities and boroughs to set the rate of tax collected with the motor vehicle registration.

Ordinance 96-141 sets the tax rate at \$10 per year for motorcycles and trailers, \$50 a year for most vehicles, and larger vehicles will range from \$220 to \$50 per year.

With the adoption of this ordinance and AM, the state will start collecting these rates on January 1, 1998. In order to do so, the assembly must adopt this ordinance before January 1, 1997 to meet the one year time requirement.

The estimated fiscal impact for fiscal year 1998 will be presented in the updated AM on October 15, 1996.

RECOMMENDED ACTION:

The administration recommend that Ordinance Serial No. 96-141 be introduced and set for public hearing.

Approved by:

[Signature]
Borough Manager



MATANUSKA-SUSITNA BOROUGH

FINANCE DEPARTMENT ASSESSMENT DIVISION

350 East Dahlia Avenue, Palmer, Alaska 99645-6488

PHONE (907) 745-9642 * FAX (907) 745-0886

October 15, 1996

To: R. Desmond Mayo, Director of Finance, Acting Manager

From: Karl D. Borglum, Borough Assessor 

re: 96-141 fiscal analysis

I have attached a graphic of an abbreviated history of motor vehicle registration, their individual classifications, the anticipated revenue pursuant to the pending legislation and finally a trend analysis.

In brief that data can be presented as follows.

There are roughly 72,000 vehicles in the State's registration files.

Pursuant to the ordinance as written, the anticipated revenue subject to the State's administration fee would be \$2,900,000. This number is somewhat rough in the fact that we cannot differentiate the classification of commercial vehicles.

The best trend analysis appears to include the last seven years and indicates an average projected increase of 2.7%, which equates to \$78,300. The trend analysis should be tempered with the last year's actual change of 1.5 % which equates to \$43,500.

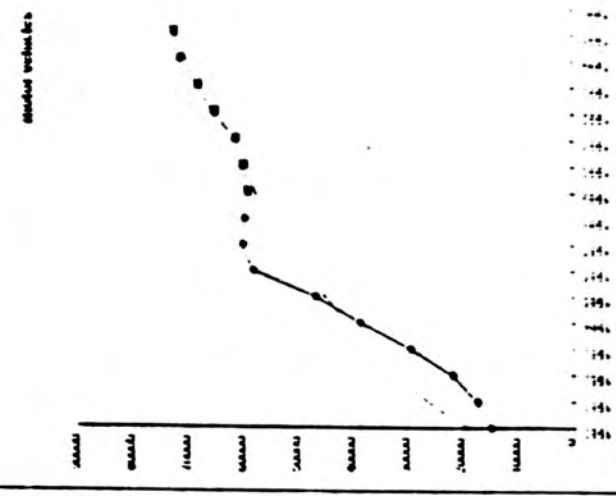
The new biennial collection procedure implemented by the State of Alaska has made financial analysis for the transition years somewhat difficult. This office has no information available to analyze the tax base by the even or odd production year basis. Should 96-141 pass in it's current form, motor vehicle taxes collected in 1997 will be roughly 150% of the current tax rate (half of the vehicles @ 100% and half @ 200%). In contrast, motor vehicle taxes collected in 1998 would be based upon half of the vehicle base at 200% of the new schedule.

After the two transition years the flat rate tax revenue should return to the annual projection.

year	poverty	unemployed	comm. index	index	bus.	income	total	% change	price	index
1960	7100	453	104	1748	457	21	71	2343	16.0%	100
1961	8787	487	141	1957	615	28	104	4201	26.5%	100
1962	10454	752	227	2594	803	29	0	7648	35.5%	100
1963	13819	848	312	3383	975	67	0	9672	31.8%	100
1964	18395	1024	412	4709	2205	84	0	8865	21.1%	100
1965	27502	1145	456	6950	2477	94	0	11341	24.4%	100
1966	29831	1250	436	6994	2876	95	0	10889	3.1%	100
1967	30112	1248	393	6552	2478	77	0	58750	48.0%	100
1968	30257	1138	363	6726	18455	103	0	385	0.8%	100
1969	29850	1089	349	7036	17656	501	0	58722	1.4%	100
1970	30319	1038	376	7387	18144	117	512	59718	1.4%	100
1971	30443	1042	394	7686	18571	124	638	61194	2.5%	100
1972	33074	1089	408	8541	2114	126	1213	3862	6.3%	100
1973	38607	1140	623	9880	2704	655	1348	68073	4.6%	100
1974	34317	1211	581	9871	20725	156	2174	3118	4.5%	100
1975	35753	1216	569	8840	21031	172	1603	74655	1.5%	100

revenue in thousands
 \$ 178,640 \$ 12,160 \$ 25,950 \$ 88,400 \$ 1,021,550 \$ 8,640 \$ 3,278,310
 State of Alaska administrative fees
 annual revenue
 \$ 258,005
 \$ 2,970,045

lizard study is an older, all-encompassing 27% survey over the entire year. All submitters (county of Andover, Vermont, University of Andover, Vermont)



1. The first group of people who are not in the labor force are those who are not in the labor force for any reason. This group includes people who are not in the labor force because they are not in the labor force for any reason.

CODE ORDINANCE

By: J. Colberg
Introduced: 11/5/96
Public Hearing: 11/19/96
Substituted: 12/3/96
Public Hearing: 12/3/96
Amended: 12/3/96
Adopted: 12/3/96

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 96-141(SUB) (AM)**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY CHANGING THE MOTOR VEHICLE REGISTRATION TAX RATE AS AUTHORIZED BY SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL 272(FIN) AM S.

WHEREAS, the assembly directs the manager to include a minimum of \$500,000 in the fiscal year 1998 budget for road improvements.

BE IT ENACTED:

Section 1. Classification. This ordinance is of a general and permanent nature and shall be come part of the borough code.

Section 2. Amendment of subsection. MSB 3.15.035(B) is hereby amended to read as follows:

(B) Motor Vehicles shall be subject to a motor vehicle registration tax levied and collected by the state in accordance with A.S. 28.10.431. The motor vehicle registration tax is in lieu of borough ad valorem taxation of the vehicle, until the assembly acts to tax vehicles locally.

(1) The annual registration tax levied upon motor vehicles subject to the registration fee under A.S. 28.10.411 and 28.10.421 shall be as follows: A.S. 28.10.431(b) Tax According to Age of Vehicle Since Model Year

<u>Motor Vehicle</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>	<u>6th</u>	<u>7th</u>	<u>8th</u>
								<u>or</u>
								<u>over</u>
<u>(a) motorcycle</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>(b) vehicles specified in</u>								
<u>AS 28.10.421(b) (1)</u>	0	0	0	0	0	0	0	0
<u>(c) vehicles specified in</u>								
<u>AS 28.10.421(b) (3)</u>	0	0	0	0	0	0	0	0
<u>(d) vehicles specified in</u>								
<u>AS 28.10.421(c) (1-4)</u>								
<u>5000 lbs. or less</u>	0	0	0	0	0	0	0	0
<u>5001 lbs.-12000 lbs.</u>	0	0	0	0	0	0	0	0
<u>12001 lbs.-18000 lbs.</u>	0	0	0	0	0	0	0	0
<u>18001 lbs. or over</u>	0	0	0	0	0	0	0	0
<u>(e) vehicles specified in</u>								
<u>AS 28.10.421(b) (4)</u>	0	0	0	0	0	0	0	0
<u>(f) vehicles specified in</u>								
<u>AS 28.10.421(b) (6)</u>	0	0	0	0	0	0	0	0
<u>(g) vehicles specified in</u>								

AS 28.10.421(d)(8) 0 0 0 0 0 0 0 0

(h) vehicles specified in

AS 28.10.421(b)(2) 0 0 0 0 0 0 0 0

(i) vehicles eligible

for dealer plates

under AS 28.10.421(d)(9) 0

(2) The biennial tax levied upon motor vehicles subject to the registration fee under AS 28.10.411 and 28.10.421 is double that of the table shown in MSB 3.15.035(B)(1).

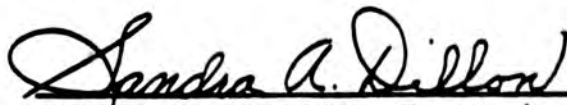
Section 3. Effective date. Ordinance Serial No. 96-141(SUB)(AM) shall take effect on January 1, 1998. The adoption of this ordinance is contingent upon the adoption of Ordinance Serial No. 96-142(SUB1)(AM). In the event that Ordinance Serial No. 96-142(SUB1)(AM) is not adopted this ordinance shall not take effect.

ADOPTED by the Matanuska-Susitna Borough Assembly, this 3rd day of December, 1996.



BARBARA LACHER, Borough Mayor

ATTEST:



SANDRA A. DILLON, Borough Clerk

(SEAL)



KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

MAINTENANCE & OPERATIONS
DEAN HENRICK, SUPERVISOR OF BUILDINGS & GROUNDS

October 9, 1997

Alaska State House of Representatives
Alaska State Capitol
Juneau, Alaska 99801

ATTN: Dennis L. DeWitt, Legislative Assistant

Thank you for the opportunity to be able to share some of our deferred maintenance problems with the Task Force during our walk-thru of White Cliff Elementary School. Your group definitely has an immense task set before them and I do wish them well.

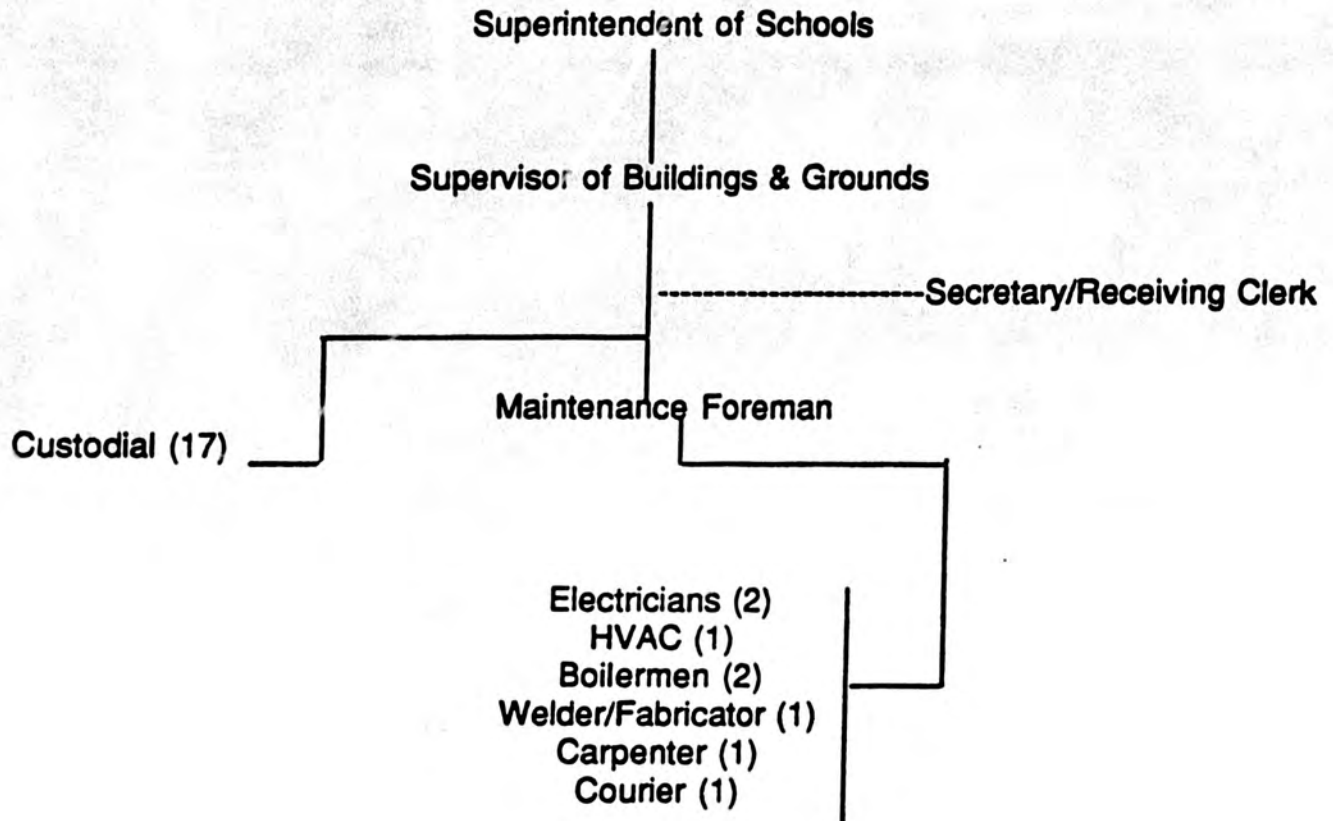
As Rep. Mulder requested, I am enclosing a copy of KGBSD Operations & Maintenance organizational chart and budget for your use.

Please notify me if additional information is needed.

Sincerely,

Dean Henrick
Supervisor of Buildings & Grounds

**KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
ORGANIZATIONAL CHART FY 97-98**



KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Operating Fund Expenditures FY 1998 Budget

Location: 190 District-Wide

Function: 600 Operations & Maintenance

Object	Description	FY 1995 Actual Expenditure	FY 1996 Actual Expenditure	FY 1997 Revised Budget	FY 1997 Actual Positions	FY 1998 Adopted Budget	FY 1998 Adopted Positions
331	Directors/Coor./Man.	103,836	102,015	105,481	2.00	105,567	2.00
334	Support Staff	20,996	23,208	23,208	1.00	23,208	1.00
335	Custod/Maintenance	929,795	950,833	972,695	29.00	641,005	29.00
339	Temp Salaries-Class.	37,296	48,425	30,500	0.00	30,500	0.00
371	Ins.-Life & Health	93,358	82,018	140,753	0.00	158,194	0.00
373	Unemployment Ins.	23,937	23,937	8,968	0.00	8,968	0.00
374	Worker's Comp Ins.	31,931	45,161	45,161	0.00	45,161	0.00
375	FICA & Medicare	83,242	85,340	86,343	0.00	87,078	0.00
377	Retirement - PERS	170,907	157,837	159,765	0.00	160,850	0.00
378	Educational Assist.	0	100	200	0.00	200	0.00
379	Physicals	3,632	6,276	3,810	0.00	3,810	0.00
409	Other Prof Services	5,700	2,000	3,700	0.00	3,700	0.00
411	Postage	143	0	200	0.00	200	0.00
412	Telecommunications	3,349	2,435	4,000	0.00	4,000	0.00
415	Insurance Expense	104,562	122,041	127,952	0.00	140,952	0.00
420	Staff Travel	1,544	673	3,500	0.00	3,500	0.00

Continued on next page

CITY OF SEWARD
P.O. BOX 167
SEWARD, ALASKA 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Fax (907) 224-4038

September 30, 1997

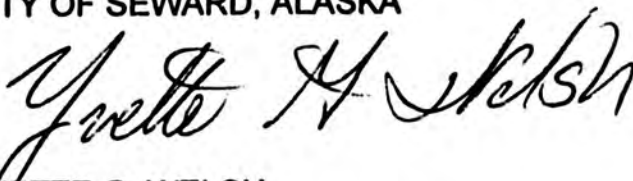
Representative Eldon Mulder
Co-Chair, Deferred Maintenance Task Force
Alaska State Legislature
State Capitol, Room 411
Juneau, AK 99801-1182
Mailstop: 3100

Dear Representative Mulder:

Enclosed is the Review of the City's Fixed Assets Report from the City of Seward. Senator Gary Wilken requested a copy of this report and Tylan Schrock thought it might be of interest to the entire Deferred Maintenance Task Force. We trust you will distribute it as you feel appropriate.

If there is further information I can provide for you do not hesitate to contact me.

Sincerely,
CITY OF SEWARD, ALASKA


YVETTE G. WELSH
PERSONNEL OFFICER
907-224-4047
907-224-4038 fax
yvette@seward.net



ALASKA PERMANENT FUND FINANCIAL PROJECTIONS 1998 - 2015

as of September 30, 1997

(in millions)

PRINCIPAL (AT COST)					
FY	FY Begin Balance	Appropriations	Dedicated State Revenues ⁽²⁾	Inflation-Proofing	FY End Balance
77-96	0	5,807	5,711	4,824	16,176
97	16,176	824	1,133 ⁽³⁾	486	17,795
98	17,795	23 ⁽⁴⁾	231	480	18,530
99	18,530	20	232	526	19,308
00	19,308	21	245	548	20,122
01	20,122	22	258	571	20,974
02	20,974	24	263	595	21,856
03	21,856	26	260	620	22,762
04	22,762	27	254	645	23,688
05	23,688	29	236	671	24,624
06	24,624	31	226	697	25,578
07	25,578	33	210	723	26,551
08	26,551	36	207	750	27,544
09	27,544	38	199	778	28,558
10	28,558	40	193	806	29,598
11	29,598	43	187	835	30,663
12	30,663	46	188	865	31,762
13	31,762	49	182	896	32,889
14	32,889	53	178	927	34,046
15	34,046	56	172	960	35,234
Cumulative Totals					
Projected for 1998 - 2015:					
		3,927	12,894	35,234	

INCOME						
GASB Net Income ⁽¹⁾	Statutory Net Income	Distributions of Statutory Income			Earnings Reserve	
		Dividends	Inflation-Proofing	General Fund	Add (Delete)	FY End Balance
16,194	14,034	5,993	4,624	223	3,211	104
3,167	2,036	747	486	1		104
2,806	1,534	781	480		250	354
1,835	1,309	804	526		(40)	313
1,932	1,360	841	548		(50)	263
2,036	1,412	803	571		15	278
2,151	1,471	744	595		108	386
2,279	1,539	744	620		149	534
2,417	1,611	776	645		162	696
2,562	1,684	810	671		174	870
2,715	1,759	847	697		185	1,055
2,876	1,837	885	723		195	1,250
3,045	1,916	925	750		205	1,455
3,224	1,997	965	778		216	1,671
3,413	2,080	1,007	806		226	1,897
3,612	2,165	1,049	835		238	2,135
3,824	2,254	1,093	865		249	2,384
4,048	2,344	1,138	896		261	2,645
4,286	2,438	1,185	927		274	2,919
4,538	2,534	1,232	960		286	3,205
53,597	33,242	16,629	12,894			3,205

UNREALIZED GAINS		
Net Change	FY End Balance	FY
2,125	2,125	77-96
1,106	3,231	97
1,249	4,480	98
506	4,986	99
552	5,538	00
601	6,139	01
655	6,794	02
715	7,509	03
779	8,288	04
849	9,137	05
924	10,061	06
1,006	11,067	07
1,094	12,161	08
1,189	13,350	09
1,282	14,633	10
1,404	16,047	11
1,524	17,571	12
1,655	19,225	13
1,795	21,021	14
1,947	22,968	15
19,737	22,968	

Rate of Return Assumptions				
	Total	Inflation	Real	Realized
FY 98:	12.54%	2.66%	9.88%	8.59%
FY 99-2015: ⁽⁵⁾	7.52%	2.80%	4.72%	6.76%

⁽¹⁾ GASB net income is statutory net income plus the net change in unrealized gains and settlement earnings.

⁽²⁾ Per Department of Revenue's Fall 1997 Revenue Forecast.

⁽³⁾ Earnings reserve appropriated to principal.

⁽⁴⁾ Settlement earnings transferred to principal per AS 37.13.145(d).

⁽⁵⁾ Based on 1997 Callan capital market and DOR inflation assumptions.

Deferred Maintenance Task Force
Building Alaska for the 21Century

<u>BUILD ALASKA Spending and Debt Service</u>							
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>6 YEAR TOTAL</u>
Build Alaska Debt Service	30,000.0	25,000.0	25,000.0	25,000.0	20,000.0	17,000.0	142,000.0
Cumulative Annual New Debt Service	30,000.0	55,000.0	80,000.0	105,000.0	125,000.0	142,000.0	537,000.0
Build Alaska Funds Available from Bonding	300,000.0	250,000.0	250,000.0	250,000.0	200,000.0	170,000.0	1,420,000.0
Capital Funds Available from General Fund Cash	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	540,000.0
Totals	390,000.0	340,000.0	340,000.0	340,000.0	290,000.0	260,000.0	1,960,000.0

cc:Mail for: Denny DeWitt

Subject: Response to Dewitt

From: Rod Wilson at DOA-DAS 11/17/97 1:30 PM

cc: Jack kreinheder at Gov_Admin_Svcs

To: Denny DeWitt (Dennis DeWitt) at LAA_CAP

cc: Boyd_Brownfield@dot.state.ak.us at CC2MHS1

cc: Gary_Hogins@dot.state.ak.us at CC2MHS1

cc: Gene_Kulawik@dot.state.ak.us at CC2MHS1

cc: Alison Elgee@Admin.Alaska at CC2MHS1

cc: Rod_Wilson@dot.state.ak.us at CC2MHS1

To: Dennis DeWitt

CC: Bo Brownfield, Gene Kulawik, and Gary Hogins (DOT&PF)

Jack Kreinheder (OMB)

Allison Elgee (DOA)

BCC: George, James, Jim and Ralph Swarthout

From: Rod Wilson, President ASFA

Dennis, I just recently recieved that last bits of information necessary to answer the questions you raised a few days ago. The following responses should answer most, if not all, of the questions you have raised. One additional question remaining id that dealing with the presentation of an updated and categorized deferred maintenance listing. Most agencies have given me their initial responses; however, due to time constraints and some "use or lose" leave time that I must take -- I doubt if I'll get a final list i-out until after I get back from A/L on the 16th.

In the interim I hope the following provides some answers.

Subject: Additional D/M Task Force requests

From: Rod Wilson at JNUHQ1

Date: 11/12/97 9:05 PM

In my conversations with Denny DeWitt he has asked some specific question for which I do not have the answer. To wit:

James -- who is in the Griffen Building in Kodiak besides H&SS?

Jim -- the court system has requested \$8 million to refurbish the old Flax Court and Office building after they leave. How much do you know about this building. Do you know the "details" behind the \$8 million request, or who may have put the request together. Whose building will it be after the courts move out? Ours, DOA, the Court System, or

someone elses. Who moves in? Right now the trend may be to zero out

the \$8 million if some answers to these questions don't surface. If agencies who are currently in leased space move back into the building

Denny's thoughts are tending towards having the "saved" rents go towards financing the improvement costs. If you have any answers at all please let me know.

Everyone -- there are also some facilities that we have requested D/M funds for that might well be better off if we just bulldozed the existing structures in and started over from scratch. For example the Archives Bldg in Juneau, The CAREAGE House in Anchorage, Griffin Bldg in Kodiak, and East Fork M/S in Northern. Are there other buildings that, if given the option, we would be better to rebuild than to just repair. The schools (Dept. of Ed.) appears to be taking this approach on several of their structures and Denny was wondering if this might be the case for us as well. So, if you're aware of buildings that you believe have just flat outlived their useful life, or do not warrant substantial repairs, let me know. (James, maybe this is where your two weigh stations would fit in.)

Thanks for the help.

ROD

Central Region Response

From: James Byers, Central Region M&O, Anchorage

Rod, presently Public Health and Family Youth, both of whom I believe fall under H&SS, and one individual from DEC are located in the Griffin Building. The one individual from DEC is the only person in the downstairs portion of the building.

There are several buildings I feel should be demolished within Central Region, DOT. The ones I feel having the highest priority are:

- 1) Griffin Building - There are several things which need to be done in order to bring this building up to the Building and Fire Code requirements. Also, the roof needs to be replaced/repared.
- 2) Careage House - There are two major items, as listed in my CIP request, at a cost of \$625.0. That still does not cover the Building Code requirements. The main problem confronting Central DOT/PF now is where to locate the 50+/- employees located there if the building was demolished.
- 3) I have had the Weights & Measures Buildings, which will be maintained by us starting FY99, and the two located on the in and outbound sides of the Glenn Hwy. are in total need of repairs. I have a letter addressed to Weights & Measures from Roger Head recommending these two buildings be replaced.

4) Moose Pass Maintenance Shop - This facility is old, ancient and has lots of problems. Many of them are Environmental related. The water being contaminated is the main item. There has been much discussion about completely removing this facility from the road system.

I will research further and see if any other buildings fall into the removal category.

James

Southeast Region Response

From George McCurry, S.E Region M&O, Juneau

Rod:

I don't have any others, except perhaps for a few maintenance station out buildings that wouldn't need to be replaced.

Incidentally, my remarks about the Juneau Archives & Records Center pertain

only to the front (office) portion of the structure built on spread footings, which is experiencing differential settlement in relation to the rear (archives & records storage room) section, which is founded on rock and piling driven to rock.

Thanks for your help.

Northern Region Response

From: Jim Little, Northern M&O, Fairbanks

Fbx Court and Office Building:

Kit Duke has the best handle on what the final disposition of this building will be. All the options you stated have been discussed. In the end the Supreme Court will decide whether to release it or not, which seems like a no brainer.

Then, whoever has statutory authority will do the next step. In the end I believe it will be cheaper to spend the \$8 million to renovate this space. The eight million is a number which dropped out CB Bettisworth's condition survey when he was evaluating all the Courts options, it as good a number as they get at this stage. The Court System, I believe, would have renovated and added an addition to this building if the issues of security,

prisoner transport routes, courtroom configuration could be addressed economically at the current site. New space will cost at least \$16 to \$20 million if we build new on State land that has no environmental problems. The sooner the State puts the money into the building the sooner it will start receiving the benefits. I believe if you check with DOA there is more than 80,000sf being leased now in Fairbanks.

The existing Chandalar shop should be on the "bulldoze" list.

Greany -

350-400 million ~~the~~ FISCAL GAP
with 50 millions left in fy 99

interest on CBR still 100^m short of ~~Balancing~~

1.

3.5 m balance in CBR AFTER

2.

EXCESS EARNINGS of Perm Fund

3.

NEW Revenue SOURCES

4.

TOBACCO Revenue \$30 million

5.

BUILDING - G.O. option
18.43

Perm Fund

EARNINGS RESERVE

50,000 m gain next 3 yrs

Bigger Principle The ~~bigger~~ bigger INFLATION
proof

Perm Fund - Div 50% LAST 5 yrs of fund

Forrest Browne - Debt Manager

Terms -

State Debt - Full Faith

Moral Obligation - 12 mo of Debt service is in fund

folks come to legis & ask. not required

State Supported Debt -

Relies on Gov fund - Lease purchases

University Debt

School Debt Reimbursement.

STATE GUARANTEED DEBT -

STATE & University Revenue Debt

- Air port debt

State Agency Debt - AIDEA, AHFC

State Agency Colonized - Mortgage Bond Debt

Municipal Debt

INDUSTRIAL Development Bonds -

Vander City for Pipeline

only \$20 million in GO Bond Debt

LAST ISSUE - 1983 LAST NEW GO DEBT

Bonding Co

Arbitrage

Borrow in ~~TAX FREE~~ ^{TAX} MARKET INVEST IN TAX
Fr Difference in cost of money & what you
CAN GET in ^{OTHER} investment

LOAN GUARANTEE - FROM CBR & Penn Fund
could get us AAA RATING

AML - 10/20/97

KEVIN Richie, George Wuerch, Gov. Hickel

2500/mile 1983 7 STATE MAINTENANCE MONEY.
657/mile 1997 DECREASE

GEORGE WUERCH

Survey Results

Do you support using surplus of CBR for
Capital expenses if Dividend is protected
2-1 His District supports.

60 yes 25 NO 15 UNDECIDED

Gov Hickel

Community Dividend

OK to individual & to community -

Hold individual flat 7-10 yrs community will be equal

Then they grow together

Capital should be 25-30% of budget

Leman Suggestion

Mike Scott

Forrest Browne Cont.

STATE DEBT ^{Service} ~~Capacity~~ to Revenue

5% for AA RATING of unrestricted
GF Revenues

half billion every 800 conservative streak

10-20-97

PROCURE - Cmt

Are Tobacco tax in 5yr Plan
ANSWER YES

DOT/PF

Now use 14 million Fed funds for
Maintenance
^{was} Only on National Hwy system

Can now use on Public Roads
Must extend life to pavement
Can pave GRAVEL ROAD

spend 130 mill expenditures for Roads Airports Ferry etc
Take in 37 mill in Fuel TAX

Dept of Admin -
Rent -

INTERNAL SERVICE FUND
Rent consists of

- occupancy cost
- MAINTENANCE
- Admin of program
- Renewal & Replacement

Plot in ~~JUNE~~ ^{JUNE} IN STATE OFFICE Bldg
Ready in FY2000

INTERNAL SERVICE FUND

10/20/97

Bob Leresche -

EXERCISE IN ASSETS MANAGEMENT

* We have LIQUIDATED our ASSETS + converted to RESERVES.

- Deferred MAINT Drives up Fixed Costs
- Quicker we get BACK to solved The sooner operating costs come down. But we now beats INFLATION
- CASH is today FINANCING FUTURE
Bonding is Paying AS it is used
- Need to use all funds to best effect.
- Modify proven FINANCING structure