Public Finance & Investments Division
Finance Department

Anchorage: Performance. Value. Results.

Purpose

Prudently and efficiently manage the debt and investment portfolios of the MOA while providing liquidity to meet daily cash requirements.

Direct Services

Provide the most cost effective source of financing for all departments of the MOA.

Manage investment portfolios of the MOA with the objectives of:

- o Safety of Principal,
- o Liquidity to meet all operating requirements and
- o Achieve the highest return on investment while complying with investment guidelines.

Provide investment performance reporting for all investment portfolios.

Provide investment accounting and investment earnings allocation services to all MOA departments.

Accomplishment Goals

- Maintain a rating of at least "AA" for the MOA's general obligation bonds.
- Refund any outstanding debt that provides a minimum net present value savings and provide the most cost effective source of financing for all departments of the MOA.
- Invest only in securities that comply with AMC at the time of investment.
- Provide an aggregate investment return, net of fees, that outperforms the benchmark for the MOA's aggregate portfolio.

Performance Measures

- The rating of the MOA's general obligation by Standard & Poor's and Fitch.
- Dollar amount of net present value savings achieved by refunding outstanding debt and with cost effective and innovative sources of financing.
- Monthly compliance report for investments that measures if the investments in the portfolio are in compliance with AMC and P&P 24-11.
- Monthly portfolio performance reports that measure the actual return, net of fees, of the aggregate portfolio compared to the benchmark return for the aggregate portfolio.

Measure # 1
The rating of the MOA's general obligation by Standard & Poor's and Fitch

Year	Standard & Poor's	Fitch
2008	AA Stable	AA Stable
2009	AA Stable	AA Stable
2010	AA Stable	AA+ Stable
2011	AA Stable	AA+ Stable
2012	AA+ Stable	AA+ Stable
2013	AA+ Stable	AA+ Stable
2014	AAA Stable	AA+ Stable
2015 November	AAA Negative	AA+ Stable
2016	AAA Stable	AA+ Stable
2017	AAA Stable	AA+ Stable
2018 September	AAA Stable	AA+ Stable

Measure # 2

Dollar amount of the net present value savings achieved by refunding outstanding debt and cost effective, innovative and creative sources of funding.

Year	Description of Refunding	Par Amount	Nominal Savings	NPV Savings
2009	AWWU-Water	49,680,000	149,533,362	5,848,119
2010	GO-GP (refunding) C-1	11,715,000	1,036,948	1,133,804
	GO-GP (restructuring) C-2	11,735,000	-2,225,256	-579,537
			-1,188,308	554,267
2011	GO-Schools (refunding) C	28,310,000	1,947,120	1,833,004
2012	GO-GP (refunding) B	30,215,000	1,934,725	2,526,664
	GO-Schools (refunding) D	24,080,000	1,504,758	1,502,047
2013	No Refunding Activity			
2014	GO-GP (refunding) B	89,590,000	11,375,985	10,445,889
	GO-Schools (refunding) D	39,920,000	4,247,874	3,628,808
	ML&P Refunding	12,285,000	1,720,900	1,444,736
2015	GO-GP (refunding) B	93,790,000	17,203,908	9,099,922
	GO-Schools (refunding) D	115,250,000	13,142,354	12,666,635
	CIVICVentures (refunding)	81,040,000	10,155,940	9,196,297
2016	GO-Schools (refunding) C	41,960,000	4,444,132	4,297,132
2017	AWWU-Water	86,640,000	20,729,481	16,800,362
	AWWU-Wastewater	50,650,000	13,973,361	11,324,814
2018 June	GO-Schools (refunding) D	57,020,000	6,827,125	6,301,871

Financing Program	Savings
Financings	
Master Lease Program 2008 - 2017	700,000
Port Commercial Paper Program 2008 - 2013	7,200,000
ML&P Commercial Paper Program 2012 - 2015	27,400,000
ML&P Direct Loan Agreement 2016 - 2017	5,100,000

Port Direct Loan Agreement 2016 - 2017	4,500,000
ASU Direct Loan Agreement 2013 - 2017	6,700,000
AWU Direct Loan Agreement 2013 - 2017	8,500,000
Tax Anticipation Notes Issues 2006 -2018*	11,000,000
2008 - 2018 Savings Achieved	**71,100,000**

* Net profit achieved by keeping long term funds invested in
The Municipal Cash Pool

Measure # 3
Monthly compliance report fo rhte investment s that measure if the Investments in the portfolio are in compliance with AMC and PP 24 - 11

Year	In Full Compliance?	Notes
2013	**Yes**	Full Compliance for entire Yr.
2014	**Yes with exceptions**	
	May	A large inflow of tax payments was received late in the day which caused the Keybank repurchase agreement to have uninvested cash overnight on the last day of the month. This caused the overall percentage of government securities in the internally managed portfolio to dip below the 50% minimum. This was corrected the following business day.
	August	A large inflow of cash in the form of commercial paper proceeds was received late in the day which caused the Keybank repurchase agreement to have uninvested cash overnight. This caused the overall percentage of government securities in the internally managed portfolio to dip below the 50% minimum. This was corrected the following business day.
	November	A large inflow of cash in the form of commercial paper proceeds was received late in the day which caused the Keybank repurchase agreement to have uninvested cash overnight. This caused the overall percentage of government securities in the internally managed portfolio to dip below the 50% minimum. This was corrected the following business day.
2015	**Yes with exceptions**	
	July	On July 31, a large payment was transferred to the internal portfolio for the August 1 debt service payment due US Bank. This was in the money market and not in a US Government security which caused the required 50% Government qualified holding to slip to 48.6% . The ratios returned to over 50% the following day as the debt service payments were disbursed for August 1.
	August	On August 31, a large payment was transferred to the internal portfolio for the Sept. 1 debt service payment due US Bank. This was in the money market and not in a US Government security which caused the required 50% Government qualified holding to slip to 39.1% The ratios returned to over 50% the following day as the debt service payments were disbursed for September 1.
	September	On September 30, the portfolios US Government and agency holdings slipped below the 50"% minimum (P&P 24-11) to 39.9%. This ratio was corrected when the debt service was paid on October 1 and a portion of money market funds were invested in agency Notes on October 2.
2016	**Yes with exceptions**	
	August	On August 31, a large payment was transferred to the internal portfolio for the Sept. 1 debt service payment due US Bank. The combined debt service of $44 million was held in a non-US Government qualified money market which caused the 50% Government holdings ration slip to 32.8% The ratios returned to over 50% the following day when debt service payments were disbursed for September 1.
2017	**Yes**	
2018 September	**Yes**	

Measure # 4
Monthly portfolio performance reports that measure the actual return, net of fees, of the aggregate portfolio compared to the benchmark return for the aggregate portfolio.

Yearly Avgerages	Portfolio	Benchmark	Excess Return Over Benchmark
2012	2.71	2.55	0.16
2013	2.35	2.19	0.16
2014	2.12	1.96	0.16
2015	1.96	1.82	0.14
2016	1.17	1.34	-0.17
2017	1.61	1.69	-0.08
2018	-0.48	-0.16	-0.32 *

* Preliminary, subject to final analysis and review