

Table of Contents

	<u>Page</u>
VI - APPENDICES	
A Direct Cost by Department and Category of Expenditure.....	A - 1
B Function Cost by Fund	
Function Cost by Fund – 2014 Revised and 2015 Proposed.....	B - 1
Function Cost by Fund and Category of Expenditure.....	B - 2
C Benefit Assumptions.....	C - 1
D Overtime by Department	D - 1
E Vacancy Factor Guidelines.....	E - 1
F Debt Service.....	F - 1
G General Government Tax Rate Trends 2006 - 2015.....	G - 1
H Preliminary General Government Property Tax Per \$100,000.....	H - 1
I Tax District Map - Anchorage.....	I - 1
J Tax District Map - Chugiak/Eagle River.....	J - 1
K Service Area Budget - Chugiak Fire.....	K - 1
L Service Area Budget - Girdwood Valley	L - 1
M Service Area Budget - Chugiak, Birchwood, Eagle River Rural Road (CBERRRSA)	M - 1
N Service Area Budget - Eagle River-Chugiak Park and Recreation.....	N - 1
O Police and Fire Retirement System.....	O - 1
P Police and Fire Retiree Medical Funding Program.....	P - 1
Q Local Government Profile.....	Q - 1
R Structure of Municipal Funds.....	R - 1
S Policies and Procedures	
Financial Policies.....	S - 1
Budget Procedures.....	S - 6
Budget Calendars – 2015 Proposed.....	S - 9
T Department Goals Aligned with Mayor’s Strategic Framework	T - 1

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Appendix A

2015 Proposed Direct Cost by Department and Category of Expenditure

Department	Personnel Services				Travel	Other Services		Debt Service	Depreciation Amortization	Capital Outlay	Total Direct Cost	Less	
	Personnel Services	Supplies	Travel	Other Services		Debt Service	Depreciation Amortization					Capital Outlay	Total Direct Cost
Assembly	2,066,329	11,085	28,523	1,512,660	-	-	-	-	-	-	3,618,597	-	3,618,597
Chief Fiscal Officer	282,125	3,000	5,000	150,604	-	-	-	-	-	-	440,729	-	440,729
Community Development	13,002,181	153,650	-	734,809	-	-	-	-	35,408	-	13,926,048	-	13,926,048
Employee Relations	3,614,263	12,750	4,780	236,040	-	-	-	-	10,400	-	3,878,233	-	3,878,233
Equal Rights Commission	699,139	7,200	9,600	35,010	-	-	-	-	-	-	750,949	-	750,949
Finance	11,889,933	67,090	7,000	1,266,746	-	-	-	-	23,100	-	13,253,869	-	13,253,869
Fire	65,655,240	2,421,550	40,000	8,787,232	4,551,530	-	-	-	279,805	-	81,735,357	-	81,735,357
<i>Fire - Police/Fire Retirement</i>	-	-	-	8,421,115	-	-	-	-	-	-	8,421,115	-	8,421,115
Health and Human Services	4,149,251	176,993	5,450	5,747,743	238,462	-	-	-	21,868	-	10,339,767	-	10,339,767
Information Technology	9,756,901	88,672	9,825	4,376,234	2,061,070	-	-	2,117,076	35,000	-	18,444,778	(2,117,076)	16,327,702
Internal Audit	725,146	1,400	1,500	8,017	-	-	-	-	-	-	736,063	-	736,063
Library	6,513,520	69,652	3,000	1,348,077	-	-	-	-	72,245	-	8,006,494	-	8,006,494
Management and Budget	684,365	2,805	-	120,080	-	-	-	-	-	-	807,250	-	807,250
Mayor	1,351,569	6,500	20,000	502,199	-	-	-	-	-	-	1,880,268	-	1,880,268
Municipal Attorney	5,891,433	27,470	10,000	1,884,774	-	-	-	-	-	-	7,813,677	-	7,813,677
Municipal Manager	2,537,426	51,881	16,128	18,975,852	1,886,207	-	-	-	20,500	-	23,487,994	-	23,487,994
Parks and Recreation	10,297,436	1,082,114	4,000	6,028,368	3,538,022	-	-	-	238,820	-	21,188,760	-	21,188,760
Police	76,644,686	2,572,575	23,500	8,446,619	372,043	-	-	-	47,500	-	88,106,923	-	88,106,923
<i>Police - Police/Fire Retirement</i>	-	-	-	9,551,166	-	-	-	-	-	-	9,551,166	-	9,551,166
Public Transportation	15,069,081	3,694,211	5,700	3,899,579	577,188	-	-	-	-	-	23,245,759	-	23,245,759
Public Works	31,333,891	3,846,835	10,170	30,147,185	42,930,029	-	-	-	72,620	-	108,340,730	-	108,340,730
Purchasing	1,644,182	6,060	-	85,603	-	-	-	-	-	-	1,735,845	-	1,735,845
Real Estate	858,254	5,300	1,000	7,212,580	-	-	-	-	8,300	-	8,085,434	-	8,085,434
Areawide TANS Exp	-	-	-	-	267,600	-	-	-	-	-	267,600	-	267,600
Convntion Ctr Reserve	-	-	-	13,369,107	-	-	-	-	-	-	13,369,107	-	13,369,107
Direct Cost Total	264,666,351	14,308,793	205,176	132,847,399	56,422,151	2,117,076	865,566	471,432,512	(2,117,076)	469,315,436	469,315,436		
% of Total	56.14%	3.04%	0.04%	28.18%	11.97%	0.45%	0.18%	100.00%					

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Appendix B - 1 Function Cost by Fund

Fund	Title	2014 Revised Budget	2015 Proposed Budget	Less Depreciation Amortization	2015 Proposed Appropriation
101000	Areawide General Fund	119,998,665	116,894,727	-	116,894,727
104000	Chugiak Fire Service Area	1,187,675	1,187,719	-	1,187,719
105000	Glen Alps Service Area	324,484	324,425	-	324,425
106000	Girdwood Valley Service Area	2,114,692	2,126,501	-	2,126,501
111000	Birchtree/Elmore LRSA	272,189	272,189	-	272,189
112000	Section 6/Campbell Airstrip LRSA	142,731	142,731	-	142,731
113000	Valli Vue Estates LRSA	126,594	126,594	-	126,594
114000	Skyranch Estates LRSA	36,573	36,573	-	36,573
115000	Upper Grover LRSA	15,291	15,291	-	15,291
116000	Raven Woods/Bubbling Brook LRSA	17,430	17,430	-	17,430
117000	Mt. Park Estates LRSA	36,568	36,568	-	36,568
118000	Mt. Park/Robin Hill LRSA	152,351	152,351	-	152,351
119000	SA	7,717,314	6,872,195	-	6,872,195
121000	Eaglewood Contributing RSA	99,348	99,348	-	99,348
122000	Gateway Contributing RSA	1,900	1,900	-	1,900
123000	Lakehill LRSA	49,711	49,711	-	49,711
124000	Totem LRSA	24,982	24,982	-	24,982
125000	Paradise Valley South LRSA	14,474	14,474	-	14,474
126000	SRW Homeowners LRSA	54,924	54,924	-	54,924
129000	Eagle River Streetlight SA	375,141	373,012	-	373,012
131000	Anchorage Fire SA	77,909,604	75,467,643	-	75,467,643
141000	Anchorage Roads and Drainage SA	69,710,473	69,773,876	-	69,773,876
142000	Talus West LRSA	133,015	133,015	-	133,015
143000	Upper O'Malley LRSA	676,622	676,622	-	676,622
144000	Bear Valley LRSA	53,491	53,491	-	53,491
145000	Rabbit Creek View/Hts LRSA	96,687	96,687	-	96,687
146000	Villages Scenic Parkway LRSA	20,640	20,640	-	20,640
147000	Sequoia Estates LRSA	23,515	23,515	-	23,515
148000	Rockhill LRSA	49,319	49,319	-	49,319
149000	South Goldenview Area LRSA	633,469	633,469	-	633,469
150000	Homestead LRSA	21,678	21,678	-	21,678
151000	Anchorage Metropolitan Police SA	109,026,886	110,385,345	-	110,385,345
161000	Anchorage Parks & Recreation SA	20,887,589	19,889,970	-	19,889,970
162000	Eagle River-Chugiak Parks & Rec	4,152,316	4,113,882	-	4,113,882
163000	Anchorage Building Safety SA	7,077,618	7,150,218	-	7,150,218
164000	Public Finance and Investments	1,663,063	1,646,165	-	1,646,165
202020	Convention Center Operating Reserve	12,502,218	13,369,107	-	13,369,107
221000	Heritage Land Bank	1,271,277	1,224,999	-	1,224,999
301000	PAC Surcharge Revenue Bond Fund	339,813	339,288	-	339,288
602000	Self Insurance ISF	1,302,487	1,272,971	-	1,272,971
607000	Information Technology ISF	378,467	138,097	(2,117,076)	(1,978,979)
Function Cost Total		440,693,284	435,303,642	(2,117,076)	433,186,566

Function Cost is the appropriation level for funds (or service areas) and is calculated as:

Function Cost = Direct Cost + Charges by Other Departments - Charges to Other Departments

Appendix B - 2

2015 Proposed Function Cost by Fund and Category of Expenditure

Fund Title	Personnel Services			Supplies	Travel	Other Services		Debt Service	Depr / Amort	Capital Outlay	Direct Cost	IGCs from/to Others	Function Cost Budget	Less Depr / Amort	Function Cost Appropriation
	99,115,916	6,043,201	134,351			47,108,557	3,441,550						279,541	156,123,116	(39,228,389)
101000 Areawide General Fund															
104000 Chugiak Fire Service Area															
105000 Glen Alps Service Area															
106000 Girdwood Valley Service Area															
111000 Birchtree/Elmore LRSA															
112000 Section 6/Campbell Airstrip LRSA															
113000 Valli Vue Estates LRSA															
114000 Skyranche Estates LRSA															
115000 Upper Grover LRSA															
116000 Raven Woods/Bubbling Brook LRSA															
117000 Mt. Park Estates LRSA															
118000 Mt. Park/Robin Hill LRSA															
119000 Chugiak, Birchwood, ER Rural Road S															
121000 Eaglewood Contributing RSA															
122000 Gateway Contributing RSA															
123000 Lakehill LRSA															
124000 Totem LRSA															
125000 Paradise Valley South LRSA															
126000 SRW Homeowners LRSA															
129000 Eagle River Streetlight SA															
131000 Anchorage Fire SA															
141000 Anchorage Roads and Drainage SA															
142000 Talus West LRSA															
143000 Upper O'Malley LRSA															
144000 Bear Valley LRSA															
145000 Rabbit Creek View/Hts LRSA															
146000 Villages Scenic Parkway LRSA															
147000 Sequoia Estates LRSA															
148000 Rockhill LRSA															
149000 South Goldenview Area LRSA															
150000 Homestead LRSA															
151000 Anchorage Metropolitan Police SA															
161000 Anchorage Parks & Recreation SA															
162000 Eagle River-Chugiak Parks & Rec															
163000 Anchorage Building Safety SA															
164000 Public Finance and Investments															
20200 Convention Center Operating Reserve															
221000 Heritage Land Bank															
301000 PAC Surcharge Revenue Bond Fund															
602000 Self Insurance ISF															
607000 Information Technology ISF															
Total	264,666,353	14,308,793	205,176	132,847,399	56,422,151	2,117,076	865,566	471,432,514	(36,128,872)	433,303,642	(2,117,076)	433,303,642	433,186,566		

Appendix C

2015 Personnel Benefit Assumptions

Total benefit costs include benefit percentage of salary plus fixed medical rate.

Employee Group	Wage Increase	Monthly Premium		PERS/ Pension ³	Leave ⁶ Cashout	SS/Medicare ⁴ Unemp/et al.
		Premium ^{1, 5}	Other ²			
AMEA	1.50%	\$1,818	\$8.68	22.00%	2.00%	8.01%
Operating Engineers	1.50%	\$1,283	\$53.98	\$914	2.05%	7.85%
Non-represented	1.50%	\$1,818	\$8.68	22.00%	3.50%	8.01%
Executives	1.50%	\$1,818	\$8.68	22.00%	0.80%	8.01%
IAFF (Fire) F40	1.50%	\$2,380	\$34.25	22.00%	5.40%	8.01%
IAFF (Fire) F56	1.50%	\$2,380	\$34.25	22.00%	7.30%	8.01%
IAFF (Fire) Dispatch	1.50%	\$2,380	\$34.25	22.00%	3.10%	8.01%
IBEW/Electrical	1.50%	\$1,753	\$51.96	\$1,305	1.90%	9.65%
IBEW/NECA Employees	3.00% ⁷	\$1,832 / \$916	\$25.95	\$1,001		10.85%
IBEW/Mechanics	1.50%	\$1,818	\$8.68	22.00%	2.65%	8.01%
Local 71 (Laborers)	1.50%	\$1,513	\$1.98	22.00%	4.50%	8.01%
APDEA (Police) Sworn	1.50%	\$2,387	\$34.25	24.00%	1.40%	8.01%
APDEA (Police) Non-Sworn	1.50%	\$2,387	\$14.15	24.00%	1.40%	8.01%
Plumbers	1.50%	\$1,818	\$8.68	22.00%	1.60%	8.01%
Teamsters	1.50%	\$1,818	\$8.68	22.00%	1.30%	8.01%
Assembly Members	0.00%	\$542	\$1.98	22.00%	0.00%	7.85%

¹ Medical, Long Term Disability (LTD), Life and retirement benefits only apply to employees who work greater than 20 hours per week or FTE>0.49 and are not temporary or seasonal with the exception of IBEW workers. Medical premium for Operating Engineers, Laborers L71 and IBEW is a blended rate because contract ends mid year.

² Other includes EAP, Life, Administrative Fees, Legal Trust, and Apprentice Fund monthly premiums.

EAP: \$1.98/month all unions except APDEA and IAFF \$2.45/month and IBEW NECA employees who do not receive.

Life: \$6.70/month= AMEA, Non-Rep, Exec, IBEW-Mechanics, Plumbers, Teamsters, IBEW-Electrical workers and APDEA-Non-sworn; \$26.80/month IAFF and APDEA-Sworn; Not applicable = Assembly, Local 71, IBEW-NECA and Operating Engineers

Administrative Fee: \$5/month APDEA & IAFF

Legal Trust: \$25.95/month IBEW Electrical and NECA employees

Apprentice Fund: \$17.33/month IBEW Electrical employees and \$52.00/month for Operating Engineer employees.

³ Police retirement includes 2% to represent the unions 401K program.

⁴ Percentages calculated includes:

National Electric Benefit Fund 3% IBEW NECA employees

Money Purchase Plan 1.8% IBEW Electrical and NECA employees

LTD 0.156% all unions except Operating Engineers, IBEW/Electrical, IBEW/NECA and Assembly

Social Security 6.2% all unions, 2014 base wage is \$117,900. Some police & fire employees are exempt..

Medicare 1.45% all unions

Unemployment 0.2% all unions

⁵ National Electric Contractor Association (NECA) employees, contractors and subcontractors used by MLP, health premium includes monthly premium for full-time and part-time workers.

⁶ For general government, compensated absences are based on modified accrual so that the leave cashout percentage represents the amount of leave expected to be cashed out during the budget year, as a percentage of salary. Utilities, enterprises, and internal service funds determine compensated absences by full accrual method so that the calculated leave cashout is performed external to the percentages used on this schedule.

⁷ IBEW/NECA employees wage increase is 3% from 2014 Revised based on 1.5% increase after Assembly approval and 1.5% increase after 1/1/15.

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Appendix D

Overtime by Department

Department	2014		2015
	Revised Budget	Expended as of 8/31/13	Proposed Budget
Assembly	12,500	18,690	12,500
Chief Fiscal Officer	-	-	-
Community Development	318,460	218,604	318,460
Employee Relations	13,860	63,525	63,860
Equal Rights Commission	500	12	1,000
Finance	85,000	179,455	89,075
Fire	4,956,891	3,243,580	4,268,066
Health and Human Services	10,570	16,402	10,570
Information Technology	24,090	75,255	24,090
Internal Audit	-	-	-
Library	12,350	10,231	12,350
Management and Budget	6,990	10,697	6,990
Mayor	-	-	-
Municipal Attorney	-	3,885	-
Municipal Manager	-	1,046	-
Parks and Recreation	55,230	52,849	55,230
Police	3,742,000	3,291,635	3,742,000
Public Transportation	442,810	572,500	362,810
Public Works	994,957	892,437	994,957
Purchasing	-	2,670	-
Real Estate	-	-	-
General Government Total	10,676,208	8,653,474	9,961,958

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Appendix E

Guideline for Budgeting for Vacancies

“Vacancy factor” is how the Municipality budgets for vacancy savings in department budgets. This is a savings that is taken up-front in the budget process and is based on the expectation that not all positions will be filled 100% of the time during the course of a fiscal year.

To budget for savings due to vacancy and turnover, the Municipality is using the following guidelines:

# FT Positions	Minimum Vacancy Factor	Maximum Vacancy Factor
10 or less	0%	3%
11 to 20	1%	4%
21 to 30	2%	5%
31 to 50	3%	6%
51 plus	4%	7%

For departments with a large number of seasonal or part-time positions, it may be appropriate to budget a vacancy factor above the maximum since the above percentages are based on full-time position counts only.

Conversely, if a department has experienced very low turnover, it may be appropriate to budget using a percentage less than the minimum.

The vacancy factor percentage should reflect a department’s past level of turnover as well as other issues that are likely to influence the turnover rate for the budget year.

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Appendix F

Debt Service

Debt service is the cost of repayment of debt, including principal, interest and agent fees.

The debt service included in the General Government Operating Budget typically represents debt incurred in the following ways:

- General Obligation (GO) Bonds (voter approval required to incur debt)
- Revenue Bonds (assembly approval required to incur debt)
- Lease/Purchase Agreements (assembly approval required to incur debt)
- Tax Anticipation Notes (TANs) (assembly approval required to incur debt)

GO Bonds

A GO Bond is a municipal bond backed by the full faith, credit and taxing power of the Municipality. GO bonds appear as a proposition on a general election ballot for covering the cost of capital expenditures. They require authorization by the assembly and approval by a majority of Anchorage voters as well as a majority of voters in that service area. The debt is repaid by property tax payers in that service area.

The Municipality generally issues 20 year bonds but makes sure that there is sufficient principal being paid off to cover the shorter useful life assets in the bond package.

The amount of GO bond debt that the Municipality can incur is limited only by GO bond amounts approved by voters. GO bond debt service is included in the Tax Cap Calculation for the 5 Major Funds - the mill rate for these funds is increased to accommodate the GO bond debt service. The debt service for service areas that set their own mill rate must fall within the maximum mill rate for the service area in which the debt is incurred, unless an increase for debt service payment is approved by voters on the bond proposition.

The Municipality's GO Bond Ratings are:

Standard & Poor's	AAA stable
Fitch Ratings	AA+ stable

Revenue Bonds

A Revenue Bond is a bond supported solely by the revenues generated from a specific project or enterprise. These are not supported by the full taxing power of the Municipality. An example would be the Alaska Center for the Performing Arts where ticket surcharges pay for that facilities' debt service on the bonds issued to finance replacement of the roof in 2004.

Lease/Purchase Agreements

Agreement between the Municipality and Key Government Finance, Inc. or Sun Trust that provides market rate loans to the Municipality for the purchase and eventual ownership of specific assets. The Agreements are entered into on an as-needed basis and the loans are typically repaid over the life of the asset. The debt service related to Lease/Purchase Agreements is not limited, but must fall within the maximum mill rate for the service area in which the Lease/Purchase Agreement is made.

TANs

Tax Anticipation Notes (TANs) are short term notes issued by the Municipality for the purpose of raising funds to pay ongoing operating expenses. They are issued in anticipation of receiving property taxes and other revenues scheduled to be collected during the year. TANs are retired prior to the current year end. The debt service related to TANs is not limited but must fall within the maximum mill rate for the service area for which the TANs are made.

2015 Proposed Debt Service Budgeting Requirements

Fund Description	Principal	Interest	Total P&I	Agent Fees	Total
Voter-Approved GO Bonds Inside Tax Limit Calculation (5 Major Funds)					
101000 Emergency Ops Ctr	620,015	341,305	961,320	700	962,020
101000 Senior Center	22,921	16,395	39,316	50	39,366
101000 Cemetery	123,839	74,957	198,796	300	199,096
101000 Emergency Medical Service	486,057	324,674	810,731	650	811,381
101000 Public Facility Repair -Areawide	297,441	287,358	584,799	100	584,899
101000 Transit	381,250	195,538	576,788	400	577,188
131000 Anchorage Fire	2,368,055	1,287,627	3,655,682	3,100	3,658,782
141000 Anchorage Roads and Drainage	27,642,951	15,163,670	42,806,621	32,700	42,839,321
151000 Anchorage Police	222,297	82,535	304,832	310	305,142
161000 Anchorage Parks/Rec	2,381,071	783,991	3,165,062	2,100	3,167,162
GO Bonds Inside Tax Cap Total	34,545,897	18,558,050	53,103,947	40,410	53,144,357
Voter-Approved GO Bonds Outside Tax Limit Calculation					
106000 Girdwood Fire	21,532	1,838	23,370	20	23,390
162000 Eagle River Parks/Rec	269,615	92,031	361,646	290	361,936
GO Bonds Outside Tax Cap Total	291,147	93,869	385,016	310	385,326
GO Bonds Total	34,837,044	18,651,919	53,488,963	40,720	53,529,683
Revenue Bond - Alaska Center for the Performing Arts (ACPA)					
301000 PAC Revenue Bond	135,000	204,288	339,288	-	339,288
ACPA Revenue Bond Total	135,000	204,288	339,288	-	339,288
Lease/Purchase Agreements					
607000 IT Capital Infrastructure	1,740,092	305,978	2,046,070	15,000	2,061,070
Lease/Purchase Agreements Total	1,740,092	305,978	2,046,070	15,000	2,061,070
Tax Anticipation Notes (TANS)					
101000 Public Finance and Investment	-	267,599	267,599	1	267,600
131000 Public Finance and Investment	-	57,976	57,976	1	57,977
141000 Public Finance and Investment	-	44,602	44,602	1	44,603
151000 Public Finance and Investment	-	66,900	66,900	1	66,901
161000 Public Finance and Investment	-	8,923	8,923	1	8,924
TANS Total	-	446,000	446,000	5	446,005
Other					
141000 Public Works	-	46,105	46,105	-	46,105
Other Total	-	46,105	46,105	-	46,105
Grand Total Funded Debt Service	36,712,136	19,654,290	56,366,426	55,725	56,422,151

Municipality of Anchorage
General Obligation, General Purpose Bonds
 Combined Annual Net Debt Service Requirements
 as of September 30, 2014

Fiscal Year	Principal Outstanding *	Principal Payment	Interest Payment	Gross Debt Service	US Treasury Reimbursed Interest **	Total Net Debt Service
2014	441,720,000	33,395,000	20,010,222	53,405,222	(778,651)	52,626,571
2015	408,325,000	34,990,000	18,651,921	53,641,921	(778,651)	52,863,270
2016	373,335,000	36,410,000	17,232,971	53,642,971	(778,651)	52,864,320
2017	336,925,000	38,150,000	15,476,636	53,626,636	(761,567)	52,865,068
2018	298,775,000	39,935,000	13,643,488	53,578,488	(725,251)	52,853,237
2019	258,840,000	36,485,000	11,783,959	48,268,959	(685,569)	47,583,391
2020	222,355,000	37,700,000	10,160,030	47,860,030	(643,574)	47,216,456
2021	184,655,000	27,685,000	8,680,588	36,365,588	(598,582)	35,767,006
2022	156,970,000	24,475,000	7,427,812	31,902,812	(550,176)	31,352,635
2023	132,495,000	25,550,000	6,295,137	31,845,137	(498,917)	31,346,220
2024	106,945,000	24,005,000	5,112,099	29,117,099	(444,625)	28,672,474
2025	82,940,000	21,010,000	3,990,695	25,000,695	(387,133)	24,613,562
2026	61,930,000	14,735,000	2,996,745	17,731,745	(326,491)	17,405,254
2027	47,195,000	15,405,000	2,261,394	17,666,394	(262,529)	17,403,866
2028	31,790,000	11,605,000	1,479,989	13,084,989	(192,888)	12,892,101
2029	20,185,000	7,140,000	878,406	8,018,406	(117,801)	7,900,605
2030	13,045,000	7,440,000	499,295	7,939,295	(39,767)	7,899,528
2031	5,605,000	3,765,000	221,059	3,986,059	-	3,986,059
2032	1,840,000	1,840,000	92,000	1,932,000	-	1,932,000
2033	-	-	-	-	-	-
Totals		441,720,000	146,894,446	588,614,446	(8,570,824)	580,043,622

Notes:

* At the beginning of the calendar year.

** Federal reimbursement for Build America Bonds was set at 35% but was reduced by 8.7% in Oct 2012-13. For the 2013-2014 fiscal year the reduction was 7.2%. Such reductions could be extended into future years, subject to congressional appropriations.

Municipality of Anchorage
Summary of Bonds Authorized but Unissued
at September 30, 2014

Voter Approved Year	Proposition Number	Project Description	Remaining Authorized But Unissued 6/1/2014
General Purpose - General Obligation			
2010	1	Anchorage Roads & Drainage Service Area	14,320,000
2011	4	Anchorage Roads & Drainage Service Area	21,455,000
2012	2	Anchorage Roads & Drainage Service Area	27,472,000
2013	3	Anchorage Roads & Drainage Service Area	20,525,000
2014	5	Anchorage Roads & Drainage Service Area	20,200,000
2011	6	Transportation -Areawide	231,000
2012	4	Transportation -Areawide	548,000
2013	2	Public Safety/Trans.-Areawide Trans.	525,000
2013	2	Public Safety/Trans.-Areawide EMS	2,095,000
2014	2	Public Transportation-Areawide	573,000
2014	6	Anchorage Fire	1,950,000
2012	3	Anchorage Parks & Recreation Service Area	2,750,000
2013	4	Anchorage Parks & Recreation Service Area	2,500,000
2014	4	Anchorage Parks & Recreation Service Area	2,550,000
2012	4	Public Safety (MICU)-Areawide	520,000
2014	2	Public Safety-(Ambulances) Areawide	520,000
2014	2	Public Safety-(General) Areawide	700,000
2014	7	Anchorage Police	650,000
Total General Purpose - General Obligation			120,084,000

Appendix G

General Government Tax Rate Trends

Tax District ¹	2006	2007 ²	2008 ²	2009 ²	2010	2011	2012	2013	2014	2015 ³
School District	7.13	6.79	6.94	7.18	7.44	7.52	7.57	7.35	7.06	TBD in Spring
1	8.17	7.77	7.95	8.32	7.74	7.96	8.00	8.21	7.92	7.81
2, 19-21, 28, 32-37, 40-41, 44, 45, 48, 52-54	5.35	5.16	5.35	5.55	5.61	5.50	5.22	5.61	5.56	5.43
3, 8	8.15	7.75	7.95	8.32	7.74	7.96	8.00	8.21	7.92	7.81
4	4.43	4.23	3.40	4.32	4.32	3.77	3.85	3.86	3.49	3.56
5	5.47	5.58	5.68	5.85	5.87	5.54	5.22	5.55	5.28	5.31
9, 11, 23, 43	4.79	4.56	4.70	4.85	4.95	4.88	4.60	5.01	4.97	4.86
10, 50	7.87	7.52	7.62	7.80	7.96	7.78	7.60	7.76	7.73	7.61
12	7.79	7.91	8.10	8.30	8.36	8.25	7.97	8.36	8.31	8.09
15	0.46	0.23	0.37	0.49	0.45	0.09	(0.29)	(0.43)	(0.48)	(0.26)
16, 56	3.03	2.83	2.93	3.10	3.12	2.79	2.47	2.80	2.53	2.65
22, 51	7.02	6.79	6.84	7.02	7.09	6.66	6.47	6.55	6.24	6.32
30	6.11	5.79	5.85	6.05	6.13	5.69	5.47	5.55	5.29	5.40
31	5.35	5.16	5.35	5.55	5.61	5.50	7.02	7.41	7.36	7.16
42	5.83	5.42	5.53	5.87	5.25	5.25	5.25	5.40	4.89	5.03
46	6.33	6.04	6.15	6.28	6.28	6.18	6.00	6.36	6.30	6.13
47	4.47	4.22	4.29	4.44	4.35	3.99	3.77	4.05	3.77	3.84
55	3.03	2.83	2.93	3.10	3.12	2.79	4.27	4.60	4.33	4.38
57	-	-	-	-	-	-	-	-	5.56	5.43

¹ Tax rates for Old City Road Service, Limited Road Service Areas and Street Lighting Service Areas, where applicable, are not included. Other Road Service areas are included.

² These tax rates do not include the tax relief.

³ 2015 tax rates in this appendix are based on preliminary assessed valuation. Assessed valuations and tax rates will be updated prior to April 2015 when the actual 2015 tax rates will be set by the Assembly.

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Appendix H
Preliminary General Government Property Tax
per \$100,000 Assessed Valuation

NOTE: The 2015 tax rates in this appendix are based on preliminary assessed valuation and exclude 2015 taxes related to ASD. Assessed valuations and tax rates will be updated prior to April 2015 when the actual 2015 tax rates will be set by the Assembly.

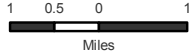
Tax District	Areawide¹	Fire	Police	Parks & Rec	Roads	MOA Total
1	(26)	221	291	57	238	781
2, 19-21, 28, 32-37, 40-41, 44, 45, 48, 52-54	(26)	221	291	57	-	543
3, 8	(26)	221	291	57	238	781
4	(26)	-	-	-	382	356
5	(26)	-	291	-	266	531
9, 11, 23, 43	(26)	221	291	-	-	486
10, 50	(26)	221	291	93	182	761
12	(26)	221	291	57	266	809
15	(26)	-	-	-	-	(26)
16, 56	(26)	-	291	-	-	265
22, 51	(26)	92	291	93	182	632
30	(26)	-	291	93	182	540
31	(26)	221	291	57	173	716
42	(26)	-	291	-	238	503
46	(26)	221	291	93	34	613
47	(26)	-	291	93	26	384
55	(26)	-	291	-	173	438
57	(26)	221	291	57	-	543

¹ Some services provided by the Municipality must be offered on an "areawide" basis under State law or as provided for in the Municipal Charter. These include services such as health and environmental protection, social services, animal control, library, museum, mass transit, emergency medical services, planning and zoning, property assessment, and

* Tax rates for Old City Road Service, Limited Road Service Areas and Street Lighting Service Areas, where applicable, are not included. Other Road Service Areas are included.

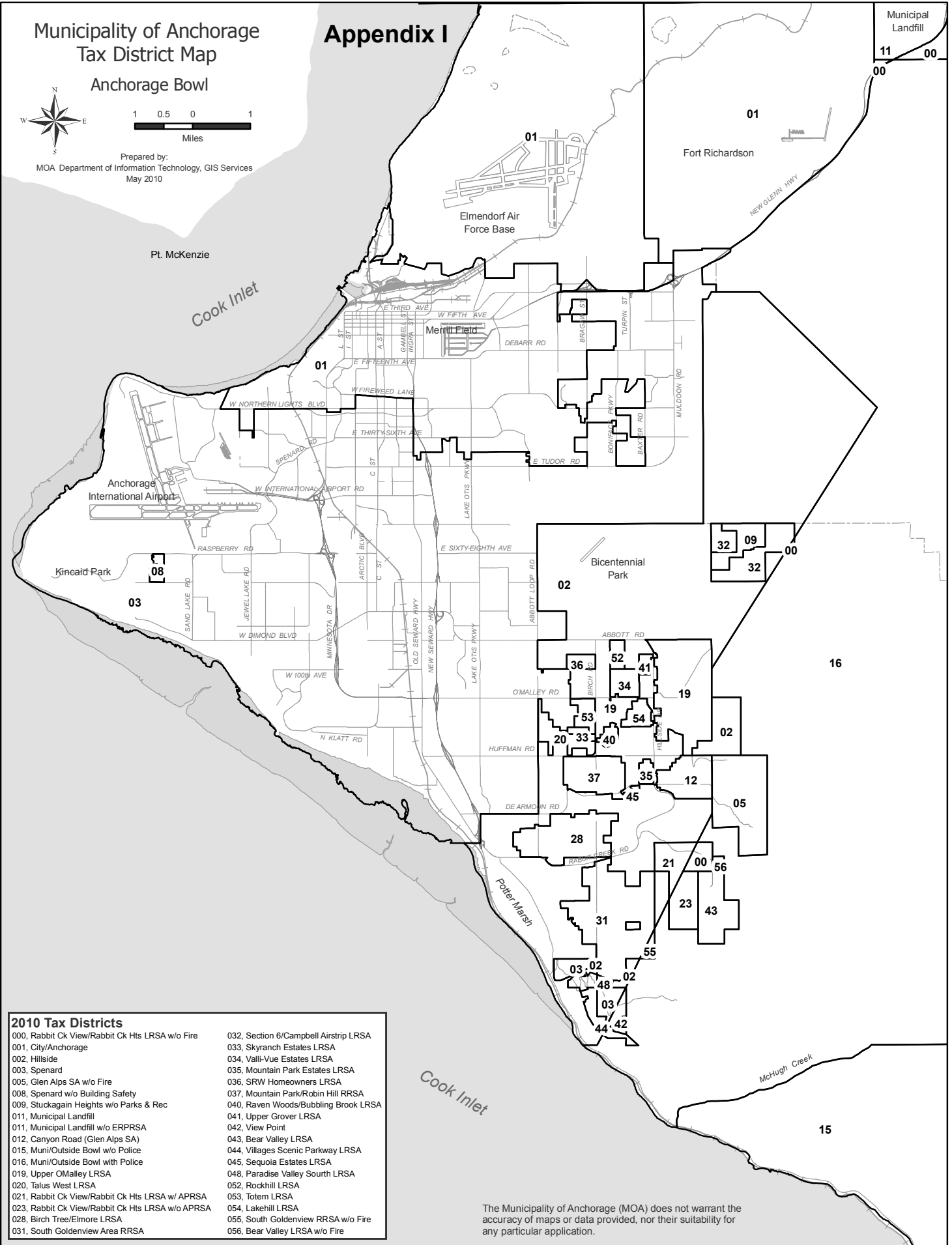
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Municipality of Anchorage
Tax District Map
Anchorage Bowl



Prepared by:
MOA Department of Information Technology, GIS Services
May 2010

Appendix I



2010 Tax Districts

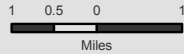
- | | |
|--|---------------------------------------|
| 000, Rabbit Ck View/Rabbit Ck Hts LRSA w/o Fire | 032, Section 6/Campbell Airstrip LRSA |
| 001, City/Anchorage | 033, Sky ranch Estates LRSA |
| 002, Hillside | 034, Valli-Vue Estates LRSA |
| 003, Spenard | 035, Mountain Park Estates LRSA |
| 005, Glen Alps SA w/o Fire | 036, SRW Homeowners LRSA |
| 008, Spenard w/o Building Safety | 037, Mountain Park/Robin Hill RRSA |
| 009, Stuckagain Heights w/o Parks & Rec | 040, Raven Woods/Bubbling Brook LRSA |
| 011, Municipal Landfill | 041, Upper Grover LRSA |
| 011, Municipal Landfill w/o ERPRSA | 042, View Point |
| 012, Canyon Road (Glen Alps SA) | 043, Bear Valley LRSA |
| 015, Muni/Outside Bowl w/o Police | 044, Villages Scenic Parkway LRSA |
| 016, Muni/Outside Bowl with Police | 045, Sequoia Estates LRSA |
| 019, Upper O'Malley LRSA | 048, Paradise Valley South LRSA |
| 020, Talus West LRSA | 052, Rockhill LRSA |
| 021, Rabbit Ck View/Rabbit Ck Hts LRSA w/ APRSA | 053, Totem LRSA |
| 023, Rabbit Ck View/Rabbit Ck Hts LRSA w/o APRSA | 054, Lakehill LRSA |
| 028, Birch Tree/Elmore LRSA | 055, South Goldenview RRSA w/o Fire |
| 031, South Goldenview Area RRSA | 056, Bear Valley LRSA w/o Fire |

The Municipality of Anchorage (MOA) does not warrant the accuracy of maps or data provided, nor their suitability for any particular application.

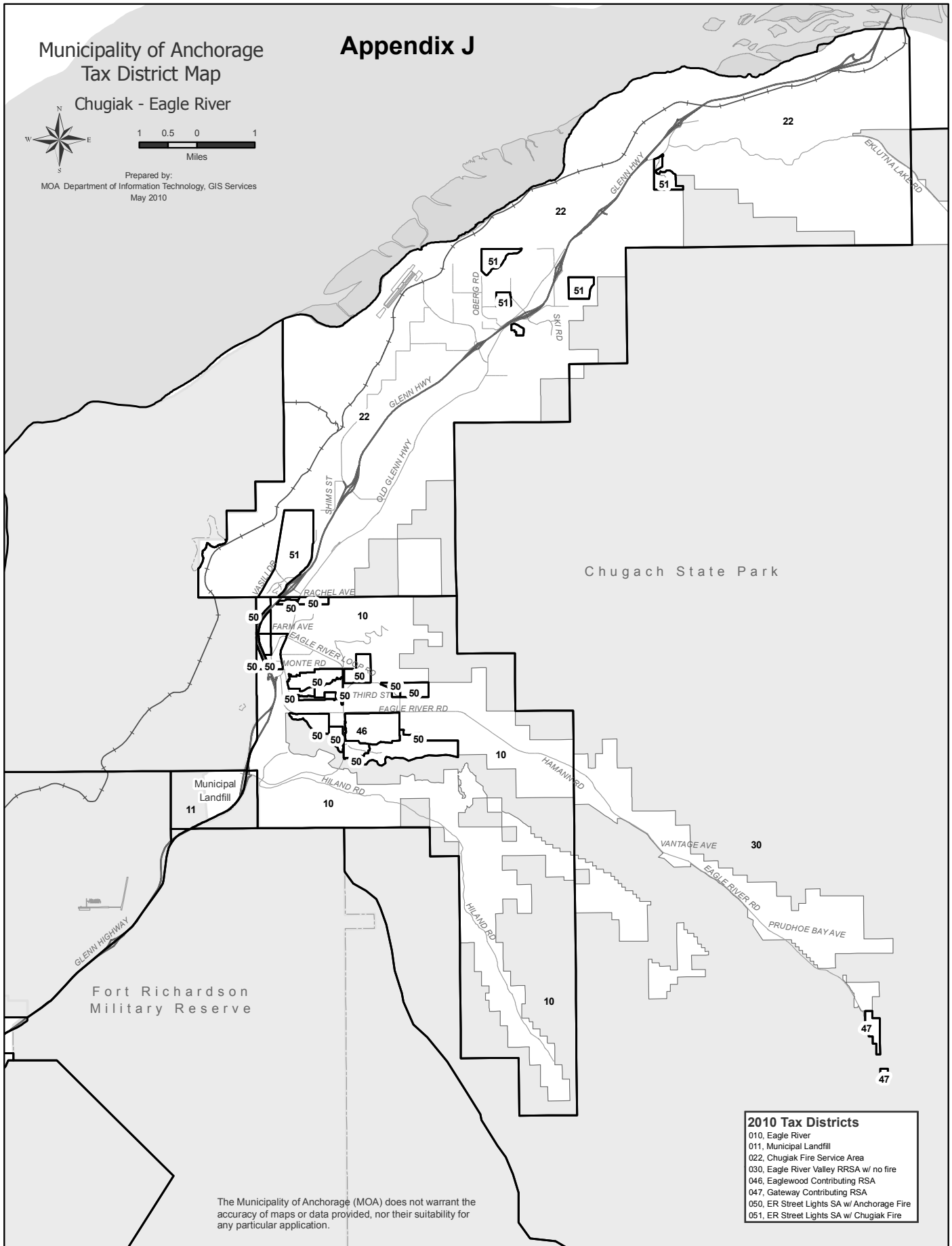
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Municipality of Anchorage
Tax District Map
Chugiak - Eagle River

Appendix J



Prepared by:
MOA Department of Information Technology, GIS Services
May 2010



2010 Tax Districts	
010	Eagle River
011	Municipal Landfill
022	Chugiak Fire Service Area
030	Eagle River Valley RRSA w/ no fire
046	Eaglewood Contributing RSA
047	Gateway Contributing RSA
050	ER Street Lights SA w/ Anchorage Fire
051	ER Street Lights SA w/ Chugiak Fire

The Municipality of Anchorage (MOA) does not warrant the accuracy of maps or data provided, nor their suitability for any particular application.

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Appendix K

Chugiak Fire Service Area

(Fund 104000)

The Municipality's Charter requires that our local government operate under a service area concept, which means that residents of particular areas vote to levy taxes for service(s) from the Municipality.

Chugiak Fire Service Area was established for fire protection within the service area. The maximum mill rate for the service area shall not exceed 1.00 mill in any calendar year (AMC 27.30.060). The service area is included in Municipal Tax Districts 22 and 51.

The net cost total on the Fund Summary presented on the following page represents the tax cost for the Chugiak Fire Service Area, based on the 2015 Proposed budget. It includes \$57,865 of revenues associated with the fund that are not considered program revenues, such as P&I on Delinquent Taxes, Auto Tax, Electric Co-Op Allocation and Cash Pools Short-term Interest.

The actual 2015 taxes to be collected will be based on the 2015 Revised budget that will be presented to the Assembly for approval in April.

The mill rate is calculated based on the taxes to be collected, divided by the assessed valuation of the service area, then multiplied by 1,000.

$$\frac{\text{Taxes to be Collected in SA}}{\text{Service Area Assessed Value}} \times 1,000 = \text{Mill Rate}$$

The 2015 mill rate, based on the 2015 Proposed budget and the preliminary service area assessed value at 08/22/2014, is calculated as follows:

$$\frac{\$ 1,129,854}{\$ 1,224,646,654} \times 1,000 = .92$$

Fund 104000 Summary
Chugiak Fire Service Area
(Fund Center # 354000, 189120 (9253))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Chugiak Fire and Rescue (354000) - Department: Fire	1,633,578	1,010,787	1,010,787	-
Direct Cost Total	1,633,578	1,010,787	1,010,787	-
Intragovernmental Charges				
Charges from/to Other Departments	195,536	176,888	176,932	0.02%
Function Cost Total	1,829,114	1,187,675	1,187,719	0.00%
Program Generated Revenue	(157,179)	(72,857)	(57,865)	-20.58%
Net Cost Total	1,671,935	1,114,818	1,129,854	1.35%
Direct Cost by Category				
Personnel	-	-	-	-
Supplies	15,169	-	-	-
Travel	-	-	-	-
Contractual/Other Services	1,617,707	1,010,787	1,010,787	-
Debt Service	-	-	-	-
Equipment, Furnishings	701	-	-	-
Direct Cost Total	1,633,578	1,010,787	1,010,787	-
Position Summary as Budgeted				
Full-Time	-	-	-	-
Part-Time	-	-	-	-
Position Total	-	-	-	-

Chugiak Fire and Rescue
Department: Fire
Division: Emergency Operations
 (Dept ID # 354000)

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Supplies	15,169	-	-	-
Travel	-	-	-	-
Contractual/Other Services	1,617,707	1,010,787	1,187,719	17.50%
Equipment, Furnishings	701	-	-	-
Manageable Direct Cost Total	1,633,578	1,010,787	1,187,719	17.50%
Debt Service	-	-	-	-
Direct Cost Total	1,633,578	1,010,787	1,187,719	17.50%
Intragovernmental Charges				
Charges from/to Other Departments	195,536	176,888	176,932	0.02%
Program Generated Revenue				
9672 - Prior Yr Expense Recovery	(157,179)	-	-	-
Program Generated Revenue Total	(157,179)	-	-	-
Net Cost				
Manageable Direct Cost	1,633,578	1,010,787	1,010,787	-
Debt Service	-	-	-	-
Charges from/to Other Departments	195,536	176,888	176,932	0.02%
Program Generated Revenue Total	(157,179)	-	-	-
Net Cost Total	1,671,935	1,187,675	1,187,719	0.00%

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Appendix L

Girdwood Valley Service Area

(Fund 106000)

The Municipality's Charter requires that our local government operate under a service area concept, which means that residents of particular areas vote to levy taxes for service(s) from the Municipality.

Girdwood Valley Service Area was established for street construction and maintenance, solid waste collection, fire protection, and parks and recreation within the service area. The maximum attainable mill rate for the service area shall not exceed 6.00 mills in any calendar year (AMC 27.30.020). The service area is included in Municipal Tax District 4.

The net cost total on the fund summary presented on the following page represents the tax cost for the Girdwood Valley Service Area, based on the 2015 Proposed budget. It includes \$49,892 of revenues associated with the fund that are not considered program revenues, such as P&I on Delinquent Taxes, Auto Tax, Electric Co-Op Allocation and Cash Pools Short-term Interest.

The actual 2015 taxes to be collected will be based on the 2015 Revised budget that will be presented to the Assembly for approval in April.

The mill rate is calculated based on the taxes to be collected, divided by the assessed valuation of the service area, then multiplied by 1,000.

$$\frac{\text{Taxes to be Collected in SA}}{\text{Service Area Assessed Value}} \times 1,000 = \text{Mill Rate}$$

The 2015 mill rate, based on the 2015 Proposed budget and the preliminary service area assessed value at 08/22/2014, is calculated as follows:

$$\frac{\$ 2,067,609}{\$ 540,710,454} \times 1,000 = 3.82$$

Fund 106000 Summary
Girdwood Valley Service Area
(Fund Center # 355000,558000 (5480), 746000, 189130 (9255))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Fire and Rescue (355000) - Department: Fire	682,553	734,014	738,230	0.57%
Parks and Recreation (558000 (5480)) - Department: Parks and	256,733	264,984	264,984	-
Street Maintenance (746000) - Department: Public Works	810,049	862,916	871,726	1.02%
Direct Cost Total	1,749,335	1,861,914	1,874,940	0.70%
Intragovernmental Charges				
Charges from/to Other Departments	293,190	252,778	251,561	-0.48%
Function Cost Total	2,042,525	2,114,692	2,126,501	0.56%
Program Generated Revenue	(10,123)	(62,003)	(58,892)	-5.02%
Net Cost Total	2,032,402	2,052,689	2,067,609	0.73%

Direct Cost by Category				
Personnel	126,447	144,016	153,131	6.33%
Supplies	80,656	104,884	104,884	-
Travel	2	-	-	-
Contractual/OtherServices	1,463,442	1,593,840	1,593,535	-0.02%
Debt Service/Depreciation	18,897	19,174	23,390	21.99%
Equipment, Furnishings	59,890	-	-	-
Direct Cost Total	1,749,335	1,861,914	1,874,940	0.70%

Position Summary as Budgeted

Full-Time	-	1	1	-
Part-Time	1	1	1	-
Position Total	1	2	2	-

Girdwood Valley Fire and Rescue
Department: Fire
Division: Emergency Operations
(Fund Center # 355000)

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Supplies	12,647	-	-	-
Travel	-	-	-	-
Contractual/Other Services	651,008	714,840	714,840	-
Manageable Direct Cost Total	663,655	714,840	714,840	-
Debt Service	18,897	19,174	23,390	21.99%
Direct Cost Total	682,553	734,014	738,230	0.57%
Intragovernmental Charges				
Charges from/to Other Departments	162,842	122,405	121,650	-0.62%
Net Cost				
Manageable Direct Cost	663,655	714,840	714,840	-
Debt Service	18,897	19,174	23,390	21.99%
Charges from/to Other Departments	162,842	122,405	121,650	-0.62%
Net Cost Total	845,395	856,419	859,880	0.40%

Girdwood Valley Parks and Recreation
Department: Parks and Recreation
Division: Girdwood Parks and Recreation
(Fund Center # 558000 (5480))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Supplies	20,884	47,484	47,484	-
Travel	2	-	-	-
Contractual/Other Services	183,156	217,500	217,500	-
Equipment, Furnishings	52,691	-	-	-
Manageable Direct Cost Total	256,733	264,984	264,984	-
Debt Service	-	-	-	-
Direct Cost Total	256,733	264,984	264,984	-
Intragovernmental Charges				
Charges from/to Other Departments	68,449	69,076	68,789	-0.42%
Program Generated Revenue				
9441 - Rec Centers And Programs	(6,888)	-	-	-
9444 - Camping Fees	(1,329)	-	-	-
9442 - Sport And Park Activities	(745)	-	-	-
9499 - Reimbursed Cost	(1,161)	-	-	-
406280 - Prgrm, Lessons, & Camps	-	(6,000)	(6,000)	-
Program Generated Revenue Total	(10,123)	(6,000)	(6,000)	-
Net Cost				
Manageable Direct Cost	256,733	264,984	264,984	-
Debt Service	-	-	-	-
Charges from/to Other Departments	68,449	69,076	68,789	-0.42%
Program Generated Revenue Total	(10,123)	(6,000)	(6,000)	-
Net Cost Total	315,060	328,060	327,773	-0.09%

Girdwood Valley Street Maintenance
Department: Public Works
Division: Other Service Areas
(Fund Center # 746000)

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Salaries and Benefits				
1101 - Straight Time Labor	75,436	94,281	101,277	7.42%
1301 - Leave/Holiday Accruals	7,424	984	1,051	6.81%
1401 - Benefits	43,570	48,751	50,803	4.21%
Salaries and Benefits	126,447	144,016	153,131	6.33%
Supplies	47,125	57,400	57,400	-
Travel	-	-	-	-
Contractual/Other Services	629,277	661,500	661,195	-0.05%
Equipment, Furnishings	7,199	-	-	-
Manageable Direct Cost Total	810,049	862,916	871,726	1.02%
Debt Service	-	-	-	-
Direct Cost Total	810,049	862,916	871,726	1.02%
Intragovernmental Charges				
Charges from/to Other Departments	61,899	61,297	61,122	-0.29%
Program Generated Revenue				
406080 - Lease & Rntl Rev-HLB	-	(3,000)	(3,000)	-
Program Generated Revenue Total	-	(3,000)	(3,000)	-
Net Cost				
Manageable Direct Cost	810,049	862,916	871,726	1.02%
Debt Service	-	-	-	-
Charges from/to Other Departments	61,899	61,297	61,122	-0.29%
Program Generated Revenue Total	-	(3,000)	(3,000)	-
Net Cost Total	871,947	921,213	929,848	0.94%

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Appendix M

Chugiak, Birchwood, Eagle River Rural Road Service Area (Fund 119000)

The Municipality's Charter requires that local government operate under a service area concept, which means that residents of particular areas vote to levy taxes for service(s) from the Municipality.

Chugiak, Birchwood, Eagle River Rural Road Service Area (CBERRRSA) was established for capital improvements for roads and drainage and the maintenance thereof within and over road rights-of-way in the service area including street light capital improvements and street light operation and maintenance at special sites outside the Eagle River Street Light Service Area which enhance public safety, but excluding capital improvements for and maintenance and operation of: 1) traffic engineering; 2) park and recreational services; 3) water, sewer, telephone, electric, gas and other utility improvements and services; 4) off-road mass transit facilities and signs; and 5) fire hydrants and parking meters within the service area. The service area also shall be authorized to operate and maintain street lights at special sites outside of the Eagle River Street Light Service Area for purposes of enhancing public safety.

The maximum attainable mill rate for services provided in the service area shall not exceed 2.10 mills in any calendar year. No more than 1.1 mills shall be for road and drainage maintenance and no more than 1.0 mill shall be for capital improvements (AMC 27.30.215). The service area is included in Municipal Tax Districts 10, 22, 30, 50 and 51.

The net cost total on the fund summary presented on the following page represents the tax cost for the CBERRRSA, based on the 2015 Proposed budget. It includes \$292,750 of revenues associated with the fund that are not considered program revenues, such as P&I on Delinquent Taxes and Cash Pools Short-term Interest.

The actual 2015 taxes to be collected will be based on the 2015 Revised budget that will be presented to the Assembly for approval in April.

The mill rate is calculated based on the taxes to be collected, divided by the assessed valuation of the service area, then multiplied by 1,000.

$$\frac{\text{Taxes to be Collected in SA}}{\text{Service Area Assessed Value}} \times 1,000 = \text{Mill Rate}$$

The 2015 mill rate, based on the 2015 Proposed budget and the preliminary service area assessed value at 08/22/2014, is calculated as follows:

$$\frac{\$ 6,552,845}{\$ 3,592,336,595} \times 1,000 = 1.82$$

Fund 119000 Summary
Chugiak, Birchwood, Eagle River Rural Road Service Area
(Fund Center # 744900, 747300, 189180 (9287))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Operations of CBERRRSA (744900) - Department: Public Work	3,387,533	3,420,719	3,442,666	0.64%
ER Contribution to CIP (747300) - Department: Public Works	3,316,948	4,185,948	3,316,948	-20.76%
Direct Cost Total	6,704,481	7,606,667	6,759,614	-11.14%
Intragovernmental Charges				
Charges from/to Other Departments	102,862	110,648	112,581	1.75%
Function Cost Total	6,807,344	7,717,315	6,872,195	-10.95%
Program Generated Revenue	(151,696)	(324,828)	(319,350)	-1.69%
Net Cost Total	6,655,647	7,392,487	6,552,845	-11.36%

Direct Cost by Category

Personnel	507,900	500,652	524,158	4.70%
Supplies	224,457	169,940	169,940	-
Travel	23	-	-	-
Contractual/Other Services	5,970,421	6,930,075	6,059,516	-12.56%
Debt Service	-	-	-	-
Equipment, Furnishings	1,680	6,000	6,000	-
Direct Cost Total	6,704,481	7,606,667	6,759,614	-11.14%

Position Summary as Budgeted

Full-Time	3	4	4	-
Part-Time	1	-	-	-
Position Total	4	4	4	-

Operations of Chugiak, Birchwood, Eagle River RRSA
Department: Public Works
Division: Other Service Areas
(Fund Center # 744900)

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Salaries and Benefits				
1101 - Straight Time Labor	256,184	260,360	278,076	6.80%
1201 - Overtime	25,982	43,000	43,000	-
1301 - Leave/Holiday Accruals	47,553	6,583	7,101	7.87%
1401 - Benefits	174,986	165,849	171,121	3.18%
1501 - Allow Differentials/Premiums	3,197	24,860	24,860	-
Salaries and Benefits	507,900	500,652	524,158	4.70%
Supplies	224,457	169,940	169,940	-
Travel	-	-	-	-
Contractual/Other Services	2,653,496	2,744,127	2,742,568	-0.06%
Equipment, Furnishings	1,680	6,000	6,000	-
Manageable Direct Cost Total	3,387,533	3,420,719	3,442,666	0.64%
Debt Service	-	-	-	-
Direct Cost Total	3,387,533	3,420,719	3,442,666	0.64%
Intragovernmental Charges				
Charges from/to Other Departments	102,862	110,648	112,581	1.75%
Program Generated Revenue				
9499 - Reimbursed Cost	(32,844)	-	-	-
406620 - Reimbursed Cost-ER	-	(25,000)	(25,000)	-
408580 - Miscellaneous Revenues	-	(1,600)	(1,600)	-
9672 - Prior Yr Expense Recovery	(118,852)	-	-	-
Program Generated Revenue Total	(151,696)	(26,600)	(26,600)	-
Net Cost				
Manageable Direct Cost	3,387,533	3,420,719	3,442,666	0.64%
Debt Service	-	-	-	-
Charges from/to Other Departments	102,862	110,648	112,581	1.75%
Program Generated Revenue Total	(151,696)	(26,600)	(26,600)	-
Net Cost Total	3,338,699	3,504,767	3,528,647	0.68%

Eagle River Contribution to CIP
Department: Public Works
Division: Other Service Areas
(Fund Center # 747300)

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Travel	-	-	-	-
Contractual/Other Services	3,316,948	4,185,948	3,316,948	-20.76%
Manageable Direct Cost Total	3,316,948	4,185,948	3,316,948	-20.76%
Debt Service	-	-	-	-
Direct Cost Total	3,316,948	4,185,948	3,316,948	-20.76%
Net Cost				
Manageable Direct Cost	3,316,948	4,185,948	3,316,948	-20.76%
Debt Service	-	-	-	-
Net Cost Total	3,316,948	4,185,948	3,316,948	-20.76%

Appendix N

Eagle River-Chugiak Park and Recreational Service Area (Fund 162000)

The Municipality's Charter requires that local government operate under a service area concept, which means that residents of particular areas vote to levy taxes for service(s) from the Municipality.

Eagle River-Chugiak Park and Recreational Service Area (ERCPRSA) was established for parks and recreational services within the service area. The maximum attainable mill rate for the service area shall not exceed 1.00 mill in any calendar year. No more than .70 mill shall be for parks and recreation services and no more than .30 mill shall be for capital improvements (AMC 27.30.090). The service area is included in multiple Municipal Tax Districts.

The net cost total on the fund summary presented on the following page offset by represents the tax cost for the ERCPRSA, based on the 2015 Proposed budget. It includes \$68,124 of revenues associated with the fund that are not considered program revenues, such as P&I on Delinquent Taxes, Auto Tax, Contributions from Other Funds and Cash Pools Short-term Interest.

The actual 2015 taxes to be collected will be based on the 2015 Revised budget that will be presented to the Assembly for approval in April.

The mill rate is calculated based on the taxes to be collected, divided by the assessed valuation of the service area, then multiplied by 1,000.

$$\frac{\text{Taxes to be Collected in SA}}{\text{Service Area Assessed Value}} \times 1,000 = \text{Mill Rate}$$

The 2015 mill rate, based on the 2015 Proposed budget and the preliminary service area assessed value at 08/22/2014, is calculated as follows:

$$\frac{\$ 3,608,157}{\$ 3,888,433,736} \times 1,000 = 0.93$$

Fund 162 Summary
Eagle River-Chugiak Park and Recreational Service Area
(Fund Center # 555300 (5115), 555000 (5119), 555100 (5470), 555900 (5471),
555200 (5473), 555950 (5474), 189280 (9260))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Fire Lake Rec Ctr (555300 (5115)) - Department: Parks & Rec	-	50,000	50,000	-
ER Park Facilities (555000 (5119)) - Department: Parks & Rec	18,064	37,200	40,401	8.60%
ER Chugiak Parks (555100 (5470)) - Department: Parks & Rec	1,147,272	1,663,582	1,650,145	-0.81%
ER Parks Debt (555900 (5471)) - Department: Parks & Rec	298,889	411,734	361,936	-12.09%
Chugiak Pool (555200 (5473)) - Department: Parks & Rec	519,712	614,484	632,566	2.94%
Contrib for Cap Improvmnt (555950 (5474)) - Department: Parks	1,325,000	1,118,859	1,118,859	-
Direct Cost Total	3,308,937	3,895,859	3,853,907	-1.08%
Intragovernmental Charges				
Charges from/to Other Departments	247,953	256,457	259,976	1.37%
Function Cost Total	3,556,890	4,152,316	4,113,883	-0.93%
Program Generated Revenue	(4,099,949)	(533,188)	(505,726)	-5.15%
Net Cost Total	(543,059)	3,619,128	3,608,157	-0.30%

Direct Cost by Category				
Personnel	1,237,953	1,443,072	1,456,092	0.90%
Supplies	106,131	87,150	395,865	354.23%
Travel	-	-	-	-
Contractual/Other Services	1,664,014	1,944,063	1,630,174	-16.15%
Debt Service/Depreciation	298,889	411,734	361,936	-12.09%
Equipment, Furnishings	1,951	9,840	9,840	-
Direct Cost Total	3,308,937	3,895,859	3,853,907	-1.08%

Position Summary as Budgeted

Full-Time	7	7	7	-
Part-Time	39	38	38	-
Position Total	46	45	45	-

Fire Lake Recreation Center
Department: Parks and Recreation
Division: Eagle River/Chugiak Parks and Recreation
(Fund Center # 555300 (5115))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Travel	-	-	-	-
Contractual/Other Services	-	50,000	50,000	-
Manageable Direct Cost Total	-	50,000	50,000	-
Debt Service	-	-	-	-
Direct Cost Total	-	50,000	50,000	-
Intragovernmental Charges				
Charges from/to Other Departments	2,574	3,307	3,265	-1.27%
Net Cost				
Manageable Direct Cost	-	50,000	50,000	-
Debt Service	-	-	-	-
Charges from/to Other Departments	2,574	3,307	3,265	-1.27%
Net Cost Total	2,574	53,307	53,265	-0.08%

Eagle River Park Facilities
Department: Parks and Recreation
Division: Eagle River/Chugiak Parks and Recreation
(Fund Center # 555000 (5119))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Salaries and Benefits	10,045	22,100	25,301	14.48%
Supplies	904	3,000	3,000	-
Travel	-	-	-	-
Contractual/Other Services	7,115	11,100	11,100	-
Equipment, Furnishings	-	1,000	1,000	-
Manageable Direct Cost Total	18,064	37,200	40,401	8.60%
Debt Service	-	-	-	-
Direct Cost Total	18,064	37,200	40,401	8.60%
Intragovernmental Charges				
Charges from/to Other Departments	5,418	6,110	6,206	1.57%
Program Generated Revenue				
9442 - Sport And Park Activities	(6,728)	-	-	-
406290 - RecCntr Rntls&Activs	-	(8,000)	(8,000)	-
Program Generated Revenue Total	(6,728)	(8,000)	(8,000)	-
Net Cost				
Manageable Direct Cost	18,064	37,200	40,401	8.60%
Debt Service	-	-	-	-
Charges from/to Other Departments	5,418	6,110	6,206	1.57%
Program Generated Revenue Total	(6,728)	(8,000)	(8,000)	-
Net Cost Total	16,754	35,310	38,607	9.34%

Eagle River/Chugiak Parks
Department: Parks and Recreation
Division: Eagle River/Chugiak Parks and Recreation
(Fund Center # 555100 (5470))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Salaries and Benefits	784,329	899,402	897,272	-0.24%
Supplies	84,948	62,940	366,655	482.55%
Travel	-	-	-	-
Contractual/Other Services	276,112	692,400	377,378	-45.50%
Equipment, Furnishings	1,883	8,840	8,840	-
Manageable Direct Cost Total	1,147,272	1,663,582	1,650,145	-0.81%
Debt Service	-	-	-	-
Direct Cost Total	1,147,272	1,663,582	1,650,145	-0.81%
Intragovernmental Charges				
Charges from/to Other Departments	170,201	192,626	194,996	1.23%
Program Generated Revenue				
9441 - Rec Centers And Programs	(123,688)	-	-	-
9442 - Sport And Park Activities	(42,904)	-	-	-
9499 - Reimbursed Cost	(52,675)	-	-	-
406620 - Reimbursed Cost-ER	-	(26,002)	(26,002)	-
9672 - Prior Yr Expense Recovery	(258)	-	-	-
9731 - Lease & Rental Revenue	(7,200)	-	-	-
406080 - Lease & Rntl Rev-HLB	-	(6,600)	(6,600)	-
9798 - Miscellaneous Revenues	(5,299)	-	-	-
406280 - Prgm, Lessons, & Camps	-	(100,000)	(100,000)	-
406290 - RecCntr Rntls & Activs	-	(47,000)	(47,000)	-
Program Generated Revenue Total	(232,023)	(179,602)	(179,602)	-
Net Cost				
Manageable Direct Cost	1,147,272	1,663,582	1,650,145	-0.81%
Debt Service	-	-	-	-
Charges from/to Other Departments	170,201	192,626	194,996	1.23%
Program Generated Revenue Total	(232,023)	(179,602)	(179,602)	-
Net Cost Total	1,085,450	1,676,606	1,665,539	-0.66%

Eagle River Parks Debt (162000)
Department: Parks and Recreation
Division: Eagle River/Chugiak Parks and Recreation
 (Fund Center # 555900 (5471))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Travel	-	-	-	-
Manageable Direct Cost Total	-	-	-	-
Debt Service	298,889	411,734	361,936	-12.09%
Direct Cost Total	298,889	411,734	361,936	-12.09%
Net Cost				
Debt Service	298,889	411,734	361,936	-12.09%
Net Cost Total	298,889	411,734	361,936	-12.09%

Chugiak Pool
Department: Parks and Recreation
Division: Eagle River/Chugiak Parks and Recreation
(Fund Center # 555200 (5473))

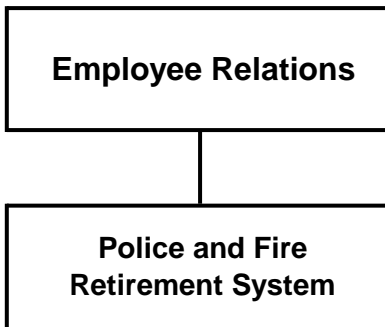
	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Salaries and Benefits				
1101 - Straight Time Labor	292,595	358,475	368,860	2.90%
1201 - Overtime	913	2,000	2,000	-
1301 - Leave/Holiday Accruals	27,748	8,068	8,290	2.75%
1401 - Benefits	118,033	149,027	150,369	0.90%
1501 - Allow Differentials/Premiums	4,288	4,000	4,000	-
Salaries and Benefits	443,578	521,570	533,519	2.29%
Supplies	20,279	21,210	26,210	23.57%
Travel	-	-	-	-
Contractual/Other Services	55,788	71,704	72,837	1.58%
Equipment, Furnishings	68	-	-	-
Manageable Direct Cost Total	519,712	614,484	632,566	2.94%
Debt Service	-	-	-	-
Direct Cost Total	519,712	614,484	632,566	2.94%
Intragovernmental Charges				
Charges from/to Other Departments	69,759	54,414	55,509	2.01%
Program Generated Revenue				
9443 - Aquatics	(257,824)	-	-	-
406300 - Aquatics	-	(250,000)	(250,000)	-
9791 - Cash Over & Short	13	-	-	-
Program Generated Revenue Total	(257,811)	(250,000)	(250,000)	-
Net Cost				
Manageable Direct Cost	519,712	614,484	632,566	2.94%
Debt Service	-	-	-	-
Charges from/to Other Departments	69,759	54,414	55,509	2.01%
Program Generated Revenue Total	(257,811)	(250,000)	(250,000)	-
Net Cost Total	331,661	418,898	438,075	4.58%

Contribution for Capital Improvements
Department: Parks and Recreation
Division: Eagle River/Chugiak Parks and Recreation
(Fund Center # 555950 (5474))

	2013 Actuals	2014 Revised	2015 Proposed	14 v 15 % Chg
Direct Cost				
Travel	-	-	-	-
Contractual/Other Services	1,325,000	1,118,859	1,118,859	-
Manageable Direct Cost Total	1,325,000	1,118,859	1,118,859	-
Debt Service	-	-	-	-
Direct Cost Total	1,325,000	1,118,859	1,118,859	-
Net Cost				
Manageable Direct Cost	1,325,000	1,118,859	1,118,859	-
Debt Service	-	-	-	-
Net Cost Total	1,325,000	1,118,859	1,118,859	-

Appendix O

Police and Fire Retirement System



Police and Fire Retirement System

Purpose

Carry out administration of retirement benefits for current and future retirees and beneficiaries of the Police and Fire Retirement System, in accordance with provisions contained in AMC 3.85 for the exclusive benefit of the members by prudently managing and investing Plan assets.

Description of System

Police and Fire Retirement System is comprised of three retirement plans, all of which were created for the purpose of encouraging qualified personnel to enter and remain in the service of the Municipality of Anchorage as police officers and firefighters through the establishment of a system of retirement, disability and death benefits for members, participants and their beneficiaries. This system is intended to be a contractual relationship in accordance with the provisions of Article XII, Section 7, of the Constitution of Alaska.

The members are separated into three plans:

- Plan I for members employed on or before June 30, 1977
- Plan II for members employed on or after July 1, 1977, and before April 17, 1984
- Plan III for members employed on or after April 17, 1984 and prior to May 25, 1994

No other person is eligible to participate in the system. Re-employed or rehired members shall, at the time of employment, be required to participate in the State of Alaska Pension Plan (PERS) and are not eligible to again participate in the retirement system.

The system was set up to operate on the investment earnings of the Trust fund but, because of losses incurred due to market conditions in 2008, the Municipality has been making annual contributions from the Police and Fire departments to bring the fund back to fully funded/self-sustaining.

The Trust is administered by a nine-person board of trustees.

The management of the Trust Fund and payment of retirement benefits are reported in Contractual/Other Services but are not budgeted or appropriated. The operating budget for the administration of the System is appropriated as a section with the GGOB.

Police and Fire Retirement System Department Summary

	2013 Actuals	2014 Revised	2015 Proposed	15 v 14 % Chg
Direct Cost by Division				
Police and Fire Retirement System Administration	32,657,947	902,120	918,909	1.86%
Direct Cost Total	32,657,947	902,120	918,909	1.86%
Intragovernmental Charges				
Charges by/to Other Departments	59,279	58,763	59,141	0.64%
Function Cost Total	32,717,226	960,883	978,050	1.79%
Program Generated Revenue	(65,602,530)	(9,062,072)	(6,115,011)	<32.52%>
Net Cost Total	(32,885,304)	(8,101,189)	(5,136,961)	<36.59%>
Direct Cost by Category				
Salaries and Benefits	430,114	487,709	497,658	2.04%
Supplies	1,452	2,600	2,600	-
Travel	2,196	40,000	34,000	<15.00%>
Contractual/Other Services	32,220,626	357,311	370,151	3.59%
Debt Service	-	-	-	-
Depreciation/Amortization	2,920	4,500	4,500	-
Equipment, Furnishings	639	10,000	10,000	-
Direct Cost Total	32,657,947	902,120	918,909	1.86%
Position Summary as Budgeted				
Full-Time	3	3	3	
Part-Time	1	1	1	
Position Total	4	4	4	

Police and Fire Retirement System
Division Summary
Police and Fire Retirement System Administration
(Fund Center # 172300, 172200, 171000, 172100)

	2013 Actuals	2014 Revised	2015 Proposed	15 v 14 % Chg
Direct Cost by Category				
Salaries and Benefits	430,114	487,709	497,658	2.04%
Supplies	1,452	2,600	2,600	-
Travel	2,196	40,000	34,000	<15.00%>
Contractual/Other Services	32,220,626	357,311	370,151	3.59%
Equipment, Furnishings	639	10,000	10,000	-
Manageable Direct Cost Total	32,655,027	897,620	914,409	1.87%
Debt Service	-	-	-	-
Depreciation/Amortization	2,920	4,500	4,500	-
Direct Cost Total	32,657,947	902,120	918,909	1.86%
Revenue by Fund				
Fund 715000 - Police/Fire Retirement Trust	65,602,530	9,062,072	6,115,011	<32.52%>
Revenue Total	65,602,530	9,062,072	6,115,011	<32.52%>

Positions as Budgeted

	2013 Revised		2014 Revised		2015 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Director	1	-	1	-	1	-
Retirement Specialist I	1	-	1	-	1	-
Retirement Specialist IV	1	1	1	1	1	1
Positions as Budgeted Total	3	1	3	1	3	1

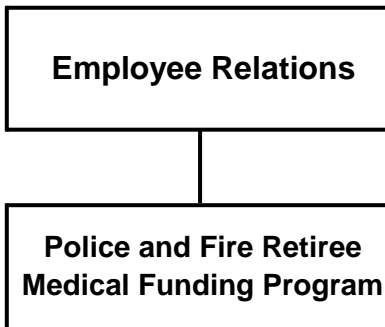
Police and Fire Retirement System
Division Detail
Police and Fire Retirement System Administration
(Fund Center # 172300, 172200, 171000, 172100)

	2013 Actuals	2014 Revised	2015 Proposed	15 v 14 % Chg
Direct Cost by Category				
Salaries and Benefits	430,114	487,709	497,658	2.04%
Supplies	1,452	2,600	2,600	-
Travel	2,196	40,000	34,000	<15.00%>
Contractual/Other Services	32,220,626	357,311	370,151	3.59%
Equipment, Furnishings	639	10,000	10,000	-
Manageable Direct Cost Total	32,655,027	897,620	914,409	1.87%
Debt Service	-	-	-	-
Depreciation/Amortization	2,920	4,500	4,500	-
Direct Cost Total	32,657,947	902,120	918,909	1.86%
Intra-Governmental Charges				
Charges by/to Other Departments	59,279	58,763	59,141	0.64%
Program Generated Revenue				
408380 - Prior Yr Exp Recov	1,914	-	-	-
408580 - Miscellaneous Revenues	29,185	-	-	-
430040 - Employee CntribToPFRS	357,248	293,000	224,090	<23.52%>
440010 - GCP CshPool ST-Int	(368)	-	-	-
440050 - Other Int Income	2,937,052	-	-	-
440070 - Dividend Income	2,594,173	-	-	-
440080 - UnRlzd Gns&Lss Invs	34,826,035	-	-	-
440090 - RlzdGns&LsOnSleofInv	15,242,242	-	-	-
450010 - Contr Other Funds	9,615,050	8,769,072	5,890,921	<32.82%>
Program Generated Revenue Total	65,602,530	9,062,072	6,115,011	<32.52%>
Net Cost				
Manageable Direct Cost	32,655,027	897,620	914,409	1.87%
Debt Service	-	-	-	-
Depreciation/Amortization	2,920	4,500	4,500	-
Charges by/to Other Departments	59,279	58,763	59,141	0.64%
Program Generated Revenue	(65,602,530)	(9,062,072)	(6,115,011)	<32.52%>
Net Cost Total	(32,885,304)	(8,101,189)	(5,136,961)	<36.59%>

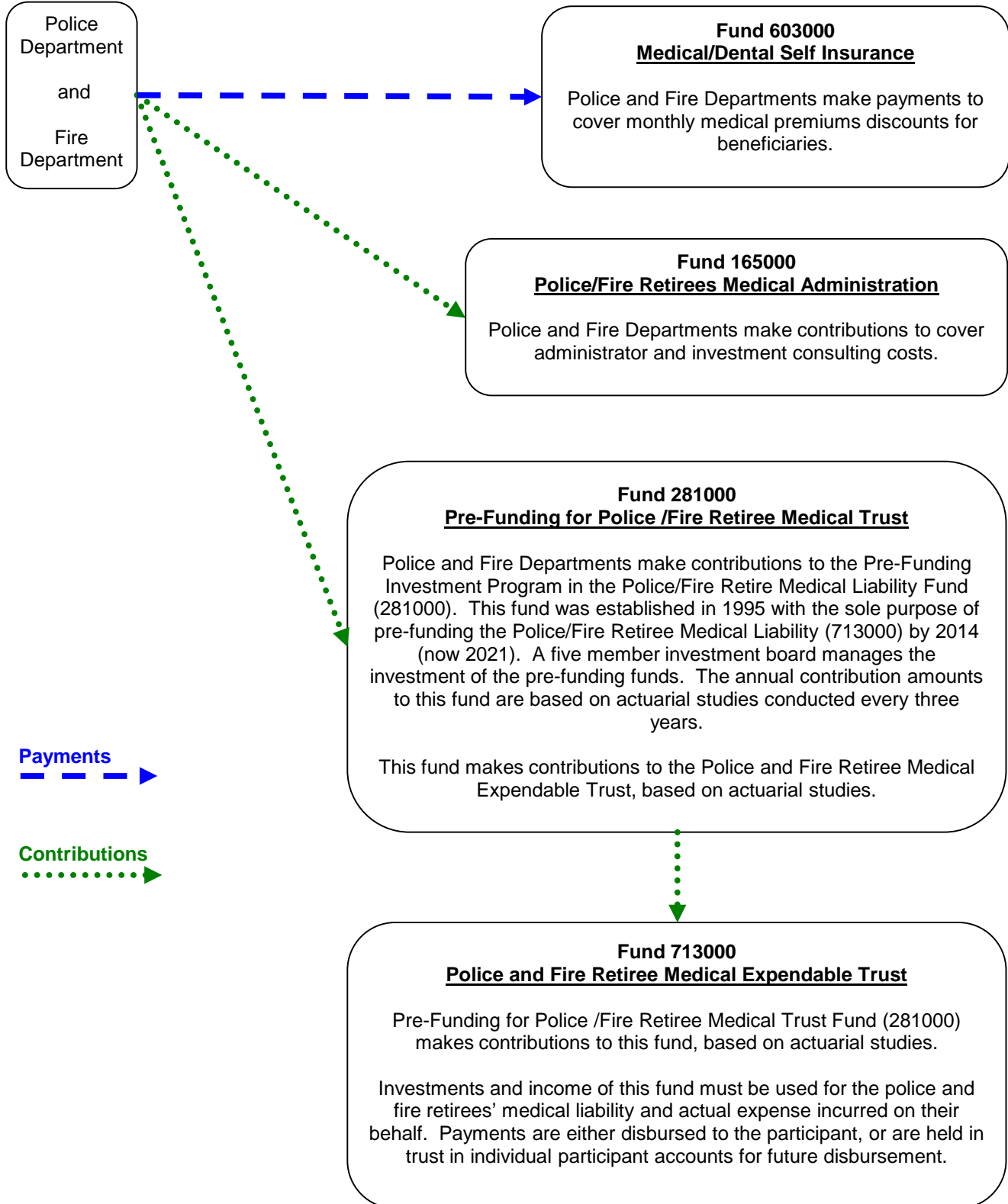
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Appendix P

Police and Fire Retiree Medical Funding Program



Police and Fire Retiree Medical Funding Program Flow of Funds AMC 3.87 and AMC 3.88



Police and Fire Retiree Medical Funding Program

Purpose

Administer the health reimbursement arrangement (HRA) for those receiving retirement benefits under the Police and Fire Retirement System in accordance with provisions contained in AMC 3.87 and AMC 3.88.

Description

Police and Fire Retiree Medical system is a defined contribution plan. The Municipality will pay a predetermined amount to a Trust, for the employee's benefit. The employee will be able to choose from a variety of options as to how to spend the money in his or her account (they are not limited to the insurance provided by the Municipality).

The membership qualifications are:

- Must be beneficiary of the Police and Fire Retirement System
- Hired prior to January 1, 1995
- Retire on or after January 1, 1995.

The program also provides coverage to spouses and eligible dependents. The system is closed; no other person is eligible to participate in the system.

Police and Fire Departments make contributions to cover administrator and investment consulting costs in Police/Fire Retirees Medical Administration Fund (165000).

Police and Fire Departments also make contributions to the Pre-Funding Investment Program in the Police/Fire Retire Medical Liability Fund (281000). This fund was established in 1995 with the sole purpose of pre-funding, via contributions, the Police/Fire Retiree Medical Liability (713000) by 2014 (now 2021). A five member investment board manages the pre-funding investments. The contribution amounts to Fund 281000 are based on actuarial studies conducted every three years (AMC 3.88).

Additionally, the Police and Fire Departments pay premiums and provide monthly discounts from the stated premium to all members purchasing municipal health insurance. The Police and Fire Departments make these payments directly to the Municipal Self Insurance fund.

The Trust is administered by an eight-person board of trustees.

The operating budget for the administration of the Program and the contributions from the prefunding debt service fund to the Trust fund are appropriated as a sections with the GGOB. The activity of the Trust Fund, management of the Trust and payment of medical benefits, are not budgeted or appropriated.

Police and Fire Retiree Medical Funding Program Department Summary

	2013 Actuals	2014 Revised	2015 Proposed	15 v 14 % Chg
Direct Cost by Division				
Police and Fire Retiree Medical Funding Program	3,255,806	3,528,875	3,530,424	0.04%
Direct Cost Total	3,255,806	3,528,875	3,530,424	0.04%
Intragovernmental Charges				
Charges by/to Other Departments	13,984	16,060	16,045	<0.09%>
Function Cost Total	3,269,790	3,544,935	3,546,469	0.04%
Program Generated Revenue	(5,798,293)	(284,548)	(284,548)	-
Net Cost Total	(2,528,503)	3,260,387	3,261,921	0.05%
Direct Cost by Category				
Salaries and Benefits	120,935	125,916	127,465	1.23%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	3,134,871	3,401,679	3,401,679	-
Debt Service	-	-	-	-
Direct Cost Total	3,255,806	3,528,875	3,530,424	0.04%
Position Summary as Budgeted				
Full-Time	1	1	1	
Part-Time	-	-	-	
Position Total	1	1	1	

Police and Fire Retiree Medical Funding Program Division Summary

Police and Fire Retiree Medical Funding Program

(Fund Center # 187600, 186000)

	2013 Actuals	2014 Revised	2015 Proposed	15 v 14 % Chg
Direct Cost by Category				
Salaries and Benefits	120,935	125,916	127,465	1.23%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	3,134,871	3,401,679	3,401,679	-
Manageable Direct Cost Total	3,255,806	3,528,875	3,530,424	0.04%
Debt Service	-	-	-	-
Direct Cost Total	3,255,806	3,528,875	3,530,424	0.04%
Revenue by Fund				
Fund 165000 - Police/Fire Retirees Med Admin	169,510	194,548	194,548	-
Fund 281000 - Police/Fire Ret Med Liability	5,628,783	90,000	90,000	-
Revenue Total	5,798,293	284,548	284,548	-

Positions as Budgeted

	2013 Revised		2014 Revised		2015 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Senior Admin Officer	1	-	1	-	1	-
Positions as Budgeted Total	1	-	1	-	1	-

Police and Fire Retiree Medical Funding Program

Division Detail

Police and Fire Retiree Medical Funding Program

(Fund Center # 187600, 186000)

	2013 Actuals	2014 Revised	2015 Proposed	15 v 14 % Chg
Direct Cost by Category				
Salaries and Benefits	120,935	125,916	127,465	1.23%
Supplies	-	1,280	1,280	-
Travel	-	-	-	-
Contractual/Other Services	3,134,871	3,401,679	3,401,679	-
Manageable Direct Cost Total	3,255,806	3,528,875	3,530,424	0.04%
Debt Service	-	-	-	-
Direct Cost Total	3,255,806	3,528,875	3,530,424	0.04%
Intra-Governmental Charges				
Charges by/to Other Departments	13,984	16,060	16,045	<0.09%>
Program Generated Revenue				
408580 - Miscellaneous Revenues	7,562	-	-	-
440010 - GCP CshPool ST-Int	(137)	610	610	-
440050 - Other Int Income	174,193	90,000	90,000	-
440070 - Dividend Income	580,215	-	-	-
440080 - UnRlzd Gns&Lss Invs	3,166,160	-	-	-
440090 - RlzdGns&LsOnSleofInv	1,700,498	-	-	-
450010 - Contr Other Funds	169,803	193,938	193,938	-
Program Generated Revenue Total	5,798,293	284,548	284,548	-
Net Cost				
Manageable Direct Cost	3,255,806	3,528,875	3,530,424	0.04%
Debt Service	-	-	-	-
Charges by/to Other Departments	13,984	16,060	16,045	<0.09%>
Program Generated Revenue	(5,798,293)	(284,548)	(284,548)	-
Net Cost Total	(2,528,503)	3,260,387	3,261,921	0.05%

Appendix Q

Local Government Profile

Geography

Anchorage is located in south central Alaska situated on a broad plain at the head of the Cook Inlet. It lies slightly farther north than Oslo, Stockholm, Helsinki and St. Petersburg. According to the United States Census Bureau, the municipality has a total area of 1980 square miles.



Organization

In 1975, the citizens of the Anchorage area ratified a Home Rule Charter for a unified municipal government. Under the Municipal Charter, the City of Anchorage, incorporated in 1920, the Greater Anchorage Area Borough, incorporated in 1964, and two small incorporated communities, Girdwood and Glen Alps were dissolved as of September 15, 1975, and the Municipality became their legal successor. Being a unified home rule municipality, the Municipality is responsible for a wide range of public services that are commonly provided through both a city and a county government.

The chief executive officer of the Municipality is the Mayor, who is elected at-large to a three-year term and who may not serve more than two consecutive terms. Subject to confirmation by the Assembly, the Mayor appoints the Municipal Manager, the Municipal Attorney, the Chief Fiscal Officer, and all heads of municipal departments. The Mayor may participate, but may not vote, in meetings of the Assembly. The Mayor may veto ordinances passed by the Assembly, and veto, strike or reduce budget or appropriation measure line items. A minimum of eight members of the Assembly must vote to override a veto by the Mayor.

The legislative power of the Municipality is vested in the Assembly comprised of eleven members, elected by district, to three-year staggering terms and who may not serve more than three consecutive terms. The presiding officer of the Assembly is the Chairperson, who is elected annually from and by the membership of the Assembly. The Assembly appoints the Municipal Clerk. Municipal ordinances, Assembly schedules, agendas and other legislative information are available on-line at www.muni.org.

The Municipality has multiple citizen boards and commissions to advise and assist the administration and Assembly with issues that range from animal control to zoning. Members are appointed by the Mayor and confirmed by the Assembly. Board members and commissioners volunteer their services and typically serve three-year, staggering terms.

Municipal services are provided through service areas. Each service area is treated as an individual taxing unit although only the Municipality can levy taxes. Certain services of the Municipality – education, planning and zoning, health services, animal control, environmental quality, taxing and assessing, emergency medical service and public transportation – are provided area-wide. The ad valorem tax rate for these services is uniform throughout the Municipality. In addition, service areas consisting of only part of the area within the Municipality have been created for such purposes as fire protection, police protection, road maintenance, parks and recreation, building safety, etc. As a result, the total tax rate applicable to any given

parcel of property is the sum of the Municipality-wide levy rates plus the rates for the special-purpose service areas within which that parcel is located.

Pursuant to the Municipal Charter, the Municipality owns and operates a number of utilities as enterprise funds. These include: Anchorage Water & Waste Water Utility, Municipal Light & Power, Solid Waste Services, Port of Anchorage, and Merrill Field Airport. The Municipality also runs the Anchorage Community Development Authority.

Climate

For its northern location (61° latitude), Anchorage enjoys a subarctic climate with strong maritime influences that moderate temperatures. Average daytime summer temperatures ranges from 55 to 78 degrees; average daytime winter temperature ranges between 5 to 30 degrees. Anchorage has a frost-free growing season that averages slightly over 101 days.

Demographics

The Anchorage Municipality is home to almost two-fifths of Alaska's population.

<u>Year</u>	<u>Anchorage</u>	<u>State of Alaska</u>
2013	300,950	735,132
2012	298,610	731,449
2011	295,570	722,718
2010	291,826	710,231
2009	290,588	714,146
2008	283,912	697,828
2007	282,968	686,818

Source: U.S. Census

As of October 2013, 93 languages were spoken by students in the Anchorage School District.

<u>Race</u>	<u>Percent</u>
White	45%
Two or more races	14%
Asian	11%
Hispanic	11%
American Indian/Alaska Native	9%
Black	6%
Native Hawaiian or Pacific Islander	5%

Source: ASD 2012-13 Profile Performance Report October, 2013

The median age of Anchorage residents is 32.9 years; for women 33.6 years and men 32.2 years. Other demographic information includes:

Household income	\$79,045
Household size	2.7
Family size	3.2

Source: U.S. Census

Economy

The Municipality of Anchorage is the leading trade, banking and communications center of Alaska as well as the headquarters city in Alaska for many of the national and international firms participating in the development of the petroleum, natural gas and other natural resources of the State. The Municipality is also an important seaport, a world air transportation center, the headquarters city for the Alaska Railroad and the site of the large and historically stable military base, Joint Base Elmendorf-Richardson, also known as JBER which is a combined installation of Elmendorf Air Force Base and Fort Richardson Army Bases. Federal and State government offices and tourism are also major factors in the economic base of the Municipality.

Anchorage Wage and Salary Employment

Forecast and comparisons by industry, 2013 and 2014 ⁵

	2012 Monthly Average	2013 Monthly Average	Change 2012 to 2013	% Change 2012 to 2013	Forecast for 2014	Change 2013 to 2014	% Change 2013 to 2014 ¹
Total Nonfarm Wage and Salary ²	157,200	157,700	500	0.3%	158,000	300	0.2%
Mining and Logging	3,400	3,500	100	2.9%	3,600	100	2.8%
Oil and Gas	3,300	3,400	100	3.0%	3,400	-	0%
Construction	8,400	8,400	-	0%	8,400	-	0%
Manufacturing	2,300	2,300	-	0%	2,300	-	0%
Wholesale Trade	4,600	4,800	200	4.3%	4,800	-	0%
Retail Trade	17,100	17,000	-100	-0.6%	17,300	300	1.7%
Transportation, Warehousing, and Utilities	11,300	11,100	-200	-1.8%	11,000	-100	-0.9%
Information	3,900	3,800	-100	-2.6%	3,800	-	0%
Financial Activities	7,800	7,800	-	0%	7,800	-	0%
Professional and Business Services	20,400	20,900	500	4.5%	21,200	300	1.4%
Educational ³ and Health Services	24,600	25,100	500	2.5%	25,400	300	1.2%
Health Care	18,000	18,200	200	1.1%	18,500	300	1.6%
Leisure and Hospitality	16,900	17,100	200	1.2%	17,300	200	1.2%
Other Services	5,800	6,000	200	3.4%	6,100	100	1.6%
Total Government	30,700	29,900	-800	-2.6%	29,000	-900	0%
Federal Government ⁴	9,100	8,700	-400	-4.4%	8,400	-300	-3.6%
State Government ⁵	10,700	10,800	100	0.9%	10,500	-300	-2.9%
Local Government ⁶	10,800	10,400	-400	-3.7%	10,100	-300	-3.0%

¹ Preliminary estimates

² Excludes self-employed workers, fishermen, domestic workers, and unpaid family workers

³ Private education only

⁴ Excludes uniformed military

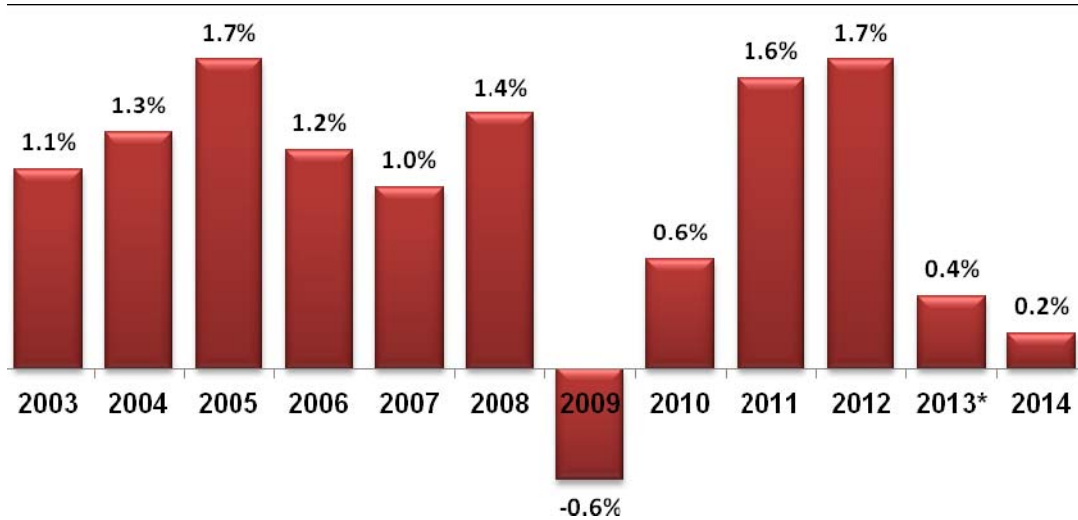
⁵ Includes the University of Alaska

⁶ Includes public school systems

Source: Alaska Economic Trends January 2014

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Modest Job Growth Anchorage 2003-2014



*Preliminary

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Unemployment Rate

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
2013	5.6	5.3	5.2	5.1	5.0	5.6	5.1	4.9	4.7	4.8	4.6	4.6	5.0
2012	6.0	6.0	5.9	5.6	5.6	6.1	5.6	5.2	5.0	4.7	4.8	5.1	5.4
2011	6.7	6.7	6.6	6.2	6.1	6.6	6.0	6.0	6.0	5.6	5.4	5.5	6.1

Source: Alaska Department of Labor and Workforce Development Research and Analysis Section

Principal Property Tax Payers 2012

Taxpayer	Assessed Value	% of Total Assessed Value
ACS of Anchorage Inc	\$ 223,409,476	0.69%
GCI Communication Corporation	\$ 187,831,505	0.58%
Calais Company Inc	\$ 163,362,519	0.51%
Enstar Natural Gas Company	\$ 138,360,594	0.43%
Fred Meyer Stores Inc	\$ 137,098,029	0.42%
Galen Hospital Alaska Inc	\$ 125,871,134	0.39%
BP Exploration (Alaska) Inc	\$ 117,259,049	0.36%
Anchorage Fueling and Service Company	\$ 110,560,707	0.34%
WEC 2000A-Alaska LLC	\$ 102,423,641	0.32%
Sisters of Providence	\$ 94,183,197	0.29%
	\$ 1,176,950,375	3.64%

Notes: Assessed values include both real and personal property.

Source: Municipality of Anchorage, Property Appraisal Division

Politics

Anchorage sends 15 representatives to the 40-member Alaska House of Representatives and 7 senators to the 20-member senate, making up nearly half of both houses

Transportation

The Ted Stevens Anchorage International Airport is the primary passenger airport and is an important cargo airport globally due to Anchorage's location on the great circle routes between Asia and the lower 48. It is located approximately three miles southwest of the principal business district of the Municipality. This airport is the leader in international air freight gateway in the nation, by weight. Twenty-six percent of the tonnage of U.S. international air freight moves through Anchorage. The Ted Stevens International Airport includes both domestic and international terminals and general aviation.

Lake Hood Seaplane Base is the largest sea plane base in the world and is located adjacent to the Ted Stevens Anchorage International Airport along Lake Hood. The facility operates on a year-round basis, but weather conditions in the winter months dictate that the Seaplane Base operates as a ski-plane facility for part of the year.

More than 2,200 private aircraft are based in the Anchorage area and are served by 11 airfields and two float plane bases. Merrill Field, operated by the Municipality, is the largest general aviation airport for private aircraft in the State of Alaska.

The Alaska Railroad Corporation, which maintains its headquarters and principal repair shops, warehouses and yards in Anchorage, provides freight and passenger service spanning more than 685 track miles and connecting over 70% of Alaska's population. The railroad serves the cities of Anchorage and Fairbanks, the ports of Whittier, Seward, and Anchorage, as well as Denali National Park and military installations.

The Port of Anchorage received 95% of all goods destined for Alaska. Besides handling incoming and outgoing cargo shipments, the Port of Anchorage also serves as a storage facility for jet fuel from Alaska refineries utilized at both the Ted Stevens International Airport and Joint Base Elmendorf Richardson (JBER). The port is located just north of Ship Creek near downtown Anchorage on the Knik Arm of the Cook Inlet of the Pacific Ocean. The docks have excellent connections with the Alaska Railroad and highway connections to Alaska intrastate highway routes.

Anchorage is connected to the rest of Alaska through two major highways. Alaska Route 1 also known as the Seward Highway connects Anchorage south to the Kenai Peninsula. The Glenn Highway extends eastbound beyond Joint Base Elmendorf-Richardson and Eagle River, connecting Anchorage to the Matanuska-Susitna Valley. This route leads further to the Richardson Highways to go further north or to the Tok Cut-Off with further connections to the contiguous North American highway system via the Alaska Highway.

Anchorage has a bus system called People Mover with a central hub downtown and two satellite hubs that serve metropolitan and the suburbs of Eagle River and Birchwood.

Community Services

Police Department:

Call for Service: Is a police action but does not always generate a police report and does not represent actual, classified, crime statistics.

2012	254,790	2007	260,382
2011	268,744	2006	240,883
2010	286,111		
2009	292,865		
2008	267,433		

Police Reports: are calls for service that results in official documentation of the incident. Beginning in 2008 the method of counting reports changed to reflect the introduction of Mobile Data Computers and the automation of entering reports into the Records Management System.

2012	65,787	2007	62,129
2011	66,161	2006	61,297
2010	64,371		
2009	64,658		
2008	66,387		

Source: Police Department's website: www.muni.org/Departments/police/stats/2012 APD Annual Statistical Report

Fire Department:

Number of fire stations	13
Number of fire hydrants	7,000
Fire runs per year	7,371
Paramedic runs per year	21,372
Number of EMS units	9
(mobile intensive care unit ambulances)	
Number of rescue boats	2

Efficient Emergency Response

Year	2008	2009	2010	2011	2012
Emergency Medical	18,674	19,459	19,833	19,511	21,372
Fire	816	944	739	814	735
Service Calls	5,919	6,197	6,729	7,054	7,371
Hazardous Conditions	524	478	523	559	787
False Alarms	1,977	2,206	2,188	2,396	2,350
	27,910	29,284	30,012	30,334	32,615

Source: Fire Department's website: www.muni.org/Departments/fire

Parks and Recreation Department:

Number of Parks	223
Playgrounds	82
Athletic Fields	110
Swimming Pools	5
Recreation Facilities	11
Trails	250 miles (135 miles paved)

Trails Around Anchorage

Paved bike trails/multi-use	120+miles/195kms
Plowed winter walkways	130 miles/216 kms
Maintained ski trails	105 miles/175+ kms
Dog mushing trails	36 miles/60 kms
Summer non-paved hiking trails	87 miles/145+ kms
Lighted ski trails	24 miles/40 kms
Ski-joring trails	66 kms
Equestrian trails	10 kms

Numerous trails connect to the Chugach State Park, a high, alpine tundra park of some 495,000 acres.

Source: Park Department's website: www.muni.org/Departments/parks

Wildlife

A diverse wildlife population exists in urban Anchorage and the surrounding area. Approximately 250 black bears and 60 grizzly bears live in the area. Bears are regularly sighted within the city along with 1,000s of moose.

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Appendix R

Structure of Municipal Funds

Funds represent accounting entities established to track resources available for and costs needed to provide for particular functions or activities. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements and are established based on generally accepted accounting standards.

As a general rule, the effect of interfund activity (IGCs, Contributions to/from Other Funds) has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between Anchorage's various business-type functions and various other functions of Anchorage. Elimination of these charges would distort the direct costs and program revenues reported for the various function's concerned.

The Municipality of Anchorage uses Governmental, Proprietary, and Fiduciary Fund types. All the funds listed in this section are included in the Municipality's audited financial statements, unless otherwise noted.

The chart on page R – 2 displays the structure of all Municipal funds.

Governmental Funds

Governmental operations are supported by various funding sources and so have been grouped into the following fund-types – general fund, special revenue funds, capital projects funds, debt service funds and permanent funds. Any one fund may support various functions and all the fund's financial reports reflect relevant information for those functions.

The Anchorage Assembly approves operating budgets and appropriations of direct costs at the department level. Revenues, direct costs and IGCs are appropriated at the fund level.

Governmental Fund Basis of Accounting

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting – revenues are recognized as soon as they are both measurable and available and expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, lodging and other taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessment receivable due within the current period is considered to be susceptible to

Municipality of Anchorage Fund Structure

Governmental Funds		Proprietary Funds		Fiduciary Funds	
General Fund	Special Revenue Funds	Internal Service Funds	Fiduciary Funds		
101000 Areawide General	2020X0 Convention Center Reserves	602000 General Liability / Workers' Comp	713000 Police & Fire Retirees Medical		
104000 Chugiak Fire SA	211000 E911 Surchage	603000 Medical/Dental Self Insurance	715000 Police & Fire Retirement System		
106000 Girdwood Valley SA	221000 Heritage Land Bank	604000 Unemployment Compensation	731000 MOA Trust Fund Reserve		
119000 Chugiak/Birchwood/Eagle River RRSA	231X00 State Dir/Fed Pass-Thru Grants				
131000 Anchorage Fire SA	241X00 Federal Grants				
141000 Anchorage Roads & Drainage SA	245900 49th State Angel Fund (49SAF)	601000 Equipment Maintenance			
151000 Anchorage Metropolitan Police SA	257000 Fed/State Fine & Forfeiture	601800 Equipment Maintenance CIP (606)			
161000 Anchorage Parks & Recreation SA	261000 Misc Operational Grants	607000 Information Technology			
162000 Eagle River/Chugiak Parks/Rec SA	271000 Public Services Special Assessment District	607800 Information Technology CIP (608)			
163000 (181) Anchorage Building Safety SA	281000 (313) Police/Fire Retirees Medical Liability				
164000 (191) Public Finance & Investment	(X: 8 - Contribution; 9 - Grant)	Enterprise Funds			
Smaller Sub-Funds		530X00 Municipal Light & Power Electrical			
102000 Former City SA		532X00 Municipal Light & Power Gas			
105000 Glen Alps SA		540X00 Water Utility			
108000 Former Borough SA		550X00 Wastewater Utility			
111000 Birchtree/Elmore LRSA		560X00 Refuse Utility			
112000 Sec. 6/Campbell Airstrip LRSA		562X00 Disposal Waste			
113000 Valli-Vue Estates LRSA		566000 Solid Waste Administration			
114000 Skybranch Estates LRSA		570X00 Port of Anchorage			
115000 Upper Grover LRSA		580X00 Merrill Field Municipal Airport			
116000 Raven Woods/Bubbling Brook LRSA		(X: 0 - Operating; 1 - Bonds; 2 - Capital; 3 - Reimbursable; 8 - Contribution; 9 - Grant)			
117000 Mt. Park Estates LRSA	Capital Projects Funds				
118000 Mt. Park/Robin Hill RRSA	401X00 Areawide General CIP				
121000 Eaglewood Contributing RSA	404X00 Chugiak Fire SA CIP				
122000 Gateway Contributing RSA	406X00 Girdwood Valley SA CIP				
123000 Lakehill LRSA	409X00 Misc Capital Projects Pass-Thru				
124000 Totem LRSA	419X00 CBERRRSA CIP				
125000 Paradise Valley South LRSA	420X00 Chugiak/Birchwood/ER Other CIP				
126000 SRW Homeowners LRSA	421X00 Heritage Land Bank CIP				
129000 Eagle River Street Light SA	431X00 Anchorage Fire SA CIP				
142000 Talus West LRSA	441X00 Anchorage Roads & Drainage SA CIP				
143000 Upper O'Malley LRSA	451X00 Anchorage Police SA CIP				
144000 Bear Valley LRSA	461X00 Anchorage Bowl Parks & Rec SA CIP				
145000 Rabbit Creek View/Heights LRSA	462X00 Eagle River/Chugiak Parks & Rec SA CIP				
146000 Villages Scenic Parkway LRSA	485X00 Public Transportation CIP				
147000 Sequoia Estates LRSA	490X00 (740) Historic Preservation Fund				
148000 Rockhill LRSA	(X: 1 - Bond; 8 - Contribution; 9 - Grant)				
149000 South Goldenview Area RRSA	Permanent Funds				
150000 Homestead LRSA	720000 Cemetery Trust Fund				
165000 (213) Police/Fire Retirees Medical	730000 MOA Trust				

Component Units

- ◆**** Anchorage School District (ASD)
- ◆◇ Anchorage Community Development Authority (ACDA)
- ◆ Alaska Center for Performing Arts, Inc. (ACPA)
- ◆ CIVICventures (blended component unit)

Audited Financial Reporting

All funds are included in the audited Consolidated Annual Financial Report (CAFR) and Detail Statements and Schedules, to the extent required, additionally:

- ◆ Complete financial statements can be obtained from entities' administrative office
- Stand-alone financial statements can be obtained from entities' administrative office

Appropriated Funds

- * Included in GGOB annual appropriation and subject to supplemental appropriations
- ** Included in utilities' annual appropriation and subject to supplemental appropriations
- *** Included as section in GGOB annual appropriation and subject to supplemental appropriations
- **** Subject to appropriations
- ◇ Submission of budget to Mayor and Assembly required

Yellow highlights indicate that the change from PeopleSoft to SAP is more than just adding 3 zeros to existing fund number. If fund prefix changed, the PeopleSoft fund number is noted in parenthesis in the description.

accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Municipality.

The basis of budgeting for the governmental funds conforms to the basis of accounting in the governmental fund financial statements, with the following exceptions:

- IGCs are budgeted as expenditures but classified under Other Financing Sources / Uses in the financial statements.
- Contributions to Other Funds are budgeted as expenditures but classified as Transfers to Other Funds under Other Financing Sources / Uses in the financial statements.
- Contributions from Other Funds are budgeted as revenues but classified as Transfers from Other Funds under Other Financing Sources / Uses in the financial statements.
- The taxes collected for, and then transferred to the Anchorage School District (ASD) are not included in the GGOB but are included as Tax revenue and Education expense in the financial statements under Areawide Service Area. ASD presents its own budget to the Assembly for appropriation, has separate audited financial statements and is included as a component unit in the financial statements.
- Municipal Utilities Service Assessment (MUSA) and Municipal Enterprise Service Assessment (MESA) are budgeted as revenues but classified as Transfers from Other Funds under Other Financing Sources / Uses in the financial statements.
- Bond refunding is not budgeted but is included in the Other Financing Sources / Uses in the financial statements.
- PERS on-behalf payments made by the State of Alaska are not budgeted but are included in the financial statements. The on-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions.

Following are descriptions of the governmental fund-types and funds:

General Fund

The Municipality uses one general fund to account for all financial resources except those that are required to be accounted for in another fund. Property taxes are the primary funding source of the General Fund. The appropriation of this fund's annual operating budget is included in the GGOB, unless otherwise noted.

The service area concept provides for taxpayers in different taxing districts to pay only for those services they agree to receive, and each of these service areas requires a separate annual operating budget appropriation and separate budgetary accounting.

For management accounting and reporting, the general fund is subdivided into separate sub-funds for each of the municipal service areas, per AMC 27.30.

Five Major Sub-Funds of the Municipal General Fund:

101000 – Areawide

(AMC 27.40) The following powers may be exercised on an areawide basis and are accounted for in this fund: animal control; assessment and collection; education; fireworks control; health and environmental protection; library; mass transit; planning, platting and zoning; taxicab and limousine regulation; regulation of entry upon and use of municipal rights-of-way; parking; civic, convention, sports, performing and visual arts center and urban redevelopment and beautification; and general powers granted to all environmental protection; library; mass transit; planning, platting and zoning; taxicab and limousine regulation; regulation of entry upon and use of municipal rights-of-way; parking; civic, convention, sports, performing and visual arts center and urban redevelopment and beautification; and general powers granted to all municipalities under AS 29.35 or assumed on an areawide basis by the former Greater Anchorage Area Borough under the provisions of AS 29.35.

131000 – Anchorage Fire Service Area

(AMC 27.30.050) Accounts for fire protection in this service area that includes areas formerly known as the City of Anchorage, the Eagle River Service Area, the Glenn Heights Area and the Bear Valley Fire Service Area but not including any portion of the Powder Reserve Tract A.

141000 – Anchorage Roads and Drainage Service Area (ARDSA)

(AMC 27.30.100) Accounts for roads and maintenance in this service area that includes areas formerly known as the City of Anchorage, Service Area 35 of the Greater Anchorage Area Borough, and the Glenn Heights Area.

151000 – Anchorage Metropolitan Police Service Area (AMPSA)

(AMC 27.30.135) Accounts for police protection services in this service area that includes areas formerly known as the City of Anchorage, the Spenard Service Area of the Greater Anchorage Area Borough, the Muldoon-Sand Lake Area, the Dimond Industrial Park Area, the Oceanview-Klatt Area, the Basher Area and a portion of the Far North Bicentennial Park, the Southeast Midtown Area, Independence Park and surrounding area, Section 16 except Boling Subdivision, the Eagle River-Chugiak Area and all other areas of the municipality north of McHugh Creek..

161000 – Anchorage Parks and Recreation

(AMC 27.30.080) Accounts for park and recreation services in the area that includes areas formerly known as the City of Anchorage, Service Area 30 of the Greater Anchorage Borough and the Glenn Heights Area.

Lesser Service Area Sub-funds of the Municipal General Fund:

102000 – Former City

No budget activity. Minimum activity reported in financial reports.

104000 – Chugiak Fire Service Area
(AMC 27.30.060) Accounts for fire protection in within the service area. Mill rate not to exceed 1.00 mill in any calendar year. See Appendix K.

105000 – Glenn Alps Service Area
(AMC 27.30.190) Accounts for all those services formerly authorized to be performed in the City or Glen Alps. Mill rate not to exceed 2.75 mills in any calendar year.

106000 – Girdwood Valley Service Area (GVSA)
(AMC 27.30.020) Accounts for street construction and maintenance, solid waste collection, fire protection and parks and recreation within the service area. Mill rate not to exceed 6.0 mills in any calendar year. See Appendix L.

108000 – Former Borough
No budget activity. Minimum activity reported in financial reports.

162000 – Eagle River-Chugiak Park and Recreational Service Area (ERCPRSA)
(AMC 27.30.090) Accounts for park and recreational services within the service area. Mill rate not to exceed 1.0 mills in any calendar year. See Appendix N.

163000 (181) – Anchorage Building Safety Service Area (ABSSA)
(AMC 27.30.040) Accounts for building safety services within the service area supported by building inspection and plan review revenues.

Limited Service Area Sub-Funds of the Municipal General Fund:

111000 – Birchtree/Elmore Limited Road Service Area
(AMC 27.30.290) Accounts for limited road maintenance and repair within the service area. Mill rate not to exceed 1.50 mills in any calendar year.

112000 – Section 6/Campbell Airstrip Limited Road Service Area
(AMC 27.30.300) Accounts for limited road maintenance and repair within the service area. Mill rate not to exceed 1.50 mills in any calendar year.

113000 – Valli Vue Estates Limited Road Service Area
(AMC 27.30.310) Accounts for limited road maintenance and repair within the service area. Mill rate not to exceed 1.40 mills in any calendar year.

114000 – Skyranch Estates Limited Road Service Area
(AMC 27.30.320) Accounts for limited road service maintenance and repair within the service area. Mill rate not to exceed 1.30 mills in any calendar year.

115000 – Upper Grover Limited Road Service Area
(AMC 27.30.340) Accounts for limited road service maintenance and repair within the service area. Mill rate not to exceed 1.00 mill in any calendar year.

116000 – Raven Woods/Bubbling Brook Limited Road Service Area
(AMC 27.30.350) Accounts for limited road service maintenance and repair within the service area. Mill rate not to exceed 1.50 mills in any calendar year.

- 117000 – Mountain Park Estates Limited Road Service Area
(AMC 27.30.330) Accounts for limited road maintenance and repair within the service area. Mill rate not to exceed 1.00 mill in any calendar year.
- 118000 – Mountain Park/Robin Hill Limited Road Service Area
(AMC 27.30.360) Accounts for limited road maintenance and repair within the service area. Mill rate not to exceed 1.30 mills in any calendar year.
- 119000 – Chugiak, Birchwood, Eagle River Rural Road Service Area (CBERRRSA)
(AMC 27.30.215) Accounts for limited capital improvements for roads and drainage and the maintenance thereof within and over road rights-of-way in the service area including street light capital improvements and street light operation and maintenance at special sites outside the Eagle River Street Light Service Area which enhance public safety, but excluding capital improvements for and maintenance and operation of: 1) traffic engineering; 2) park and recreational services; 3) water, sewer, telephone, electric, gas and other utility improvements and services; 4) off-road mass transit facilities and signs; and 5) fire hydrants and parking meters within the service area. The service area also shall be authorized to operate and maintain street lights at special sites outside of the Eagle River Street Light Service Area for purposes of enhancing public safety. Mill rate not to exceed 2.10 mills in any calendar year; no more than 1.1 mills shall be for road and drainage maintenance and no more than 1.0 mill shall be for capital improvements. See Appendix M.
- 121000 – Eaglewood Contributing Road Service Area
(AMC 27.30.550) Accounts for maintenance of roads common to the CBERRRSA within the service area. Mill rate not to exceed 20% of the CBERRRSA mill rate in any calendar year.
- 122000 – Gateway Contributing Road Service Area
(AMC 27.30.540) Accounts for maintenance of roads common to the CBERRRSA within the service area. Mill rate not to exceed 15% of the CBERRRSA mill rate in any calendar year.
- 123000 – Lakehill Limited Road Service Area
(AMC 27.30.600) Accounts for limited maintenance of roads within the service area. Mill rate not to exceed 1.50 mills in any calendar year.
- 124000 – Totem Limited Road Service Area
(AMC 27.30.610) Accounts for limited maintenance of roads within the service area. Mill rate not to exceed 1.50 mills in any calendar year.
- 125000 – Paradise Valley South Limited Road Service Area
(AMC 27.30.640) Accounts for limited maintenance of roads within the service area. Mill rate not to exceed 1.00 mill in any calendar year.
- 126000 – SRW Homeowner's Limited Road Service Area
(AMC 27.30.650) Accounts for limited road service maintenance and repair within the service area. Mill rate not to exceed 1.50 mills in any calendar year.

- 129000 – Eagle River Street Light Service Area
(AMC 27.30.560) Accounts for maintenance and operation of streetlights within the service area. Mill rate not to exceed 0.50 mill in any calendar year.
- 142000 – Talus West Limited Road Service Area
(AMC 27.30.200) Accounts for limited road maintenance within the service area. Mill rate not to exceed 1.30 mills in any calendar year.
- 143000 – Upper O'Malley Limited Road Service Area
(AMC 27.30.210) Accounts for limited road maintenance within the service area. Mill rate not to exceed 2.00 mills in any calendar year.
- 144000 – Bear Valley Limited Road Service Area
(AMC 27.30.370) Accounts for maintenance of roads and snow plowing within the service area. Mill rate not to exceed 1.50 mills in any calendar year.
- 145000 – Rabbit Creek View and Rabbit Creek Heights Limited Road Service Area
(AMC 27.30.240) Accounts for limited road service maintenance and repair within the service area. Mill rate not to exceed 2.50 mills in any calendar year.
- 146000 – Villages Scenic Parkway Limited Road Service Area
(AMC 27.30.390) Accounts for maintenance of roads, snow plowing and sanding within the service area. Mill rate not to exceed 1.00 mill in any calendar year.
- 147000 – Sequoia Estates Limited Road Service Area
(AMC 27.30.380) Accounts for street lighting and maintenance of roads and drainage within the service area. Mill rate not to exceed 1.50 mills in any calendar year.
- 148000 – Rockhill Limited Road Service Area
(AMC 27.30.590) Accounts for road maintenance within the service area. Mill rate not to exceed 1.50 mills in any calendar year.
- 149000 – South Goldenview Area Rural Road Service Area
(AMC 27.30.280) Accounts for capital improvements for roads and drainage and the maintenance thereof provided within and over road rights-of-way in the service area with no more than 1.20 mills designated for road and drainage maintenance and no more than 0.60 mills designated for capital improvements in any calendar year.
- 150000 – Homestead Limited Road Service Area
(AMC 27.30.660) Accounts for maintenance of roads within the service area. Mill rate not to exceed 1.30 mills in any calendar year.

Non Service Area Sub-Funds of the Municipal General Fund:

- 164000 (191) – Public Finance and Investment Fund
Financial resources in this fund account for the management of the Municipality's debt and investment portfolios.

165000 (213) – Police/Fire Retirees Medical Administration
(AMC 3.87) Financial resources in this fund may be used only for the administration of the Police and Fire Retirees' Medical Liability. The fund is treated as a sub-fund of the General fund for financial statement presentation. The appropriation of this fund's annual operating budget is included as a section with the GGOB. See Appendix P.

Special Revenue Funds

These funds are used to account for the proceeds from specific revenue sources that are legally restricted to expenditure for specified purposes.

2020X0 – Convention Center Operating Reserve

Financial resources in this fund may be used only for the bonded debt service or lease payments, carrying costs, and operation, and/or maintenance of the convention center. This fund is included in, and appropriated with, the GGOB and is subject to supplemental appropriations.

211000 – E911 Surcharge

E911 surcharge revenues in this fund may be used for expenditures allowable under AS 29.35.13 – 29.35-137. This fund is included in, and appropriated with, the GGOB and is subject to supplemental appropriations.

221000 – Heritage Land Bank

(AMC 25.40.035) Financial resources in this fund may be used for the Heritage Land Bank purpose: the acquisition, inventory, management, withdraw, transfer and disposal of municipal land which has not been dedicated or transferred to a specific municipal agency for one or more municipal uses. A portion of the Heritage Land Bank operating fund accounts may be appropriated annually for management of the Heritage Land Bank and the land in the Heritage Land Bank inventory, to fulfill the purpose and mission of the Heritage Land Bank. This fund is included in, and appropriated with, the GGOB and is subject to supplemental appropriations.

231000 – State Grants and Federal Grants Passed Through the State Fund

Financial resources in this fund may be used only in accordance with the individual state grant agreements. This fund has carryover budgets, based on appropriations.

241000 – Federal Grants Fund

Financial resources in this fund may be used only in accordance with the individual federal grant agreements. This fund has carryover budgets, based on appropriations.

245000 – 49th State Angel Fund (49SAF)

Financial resources in this fund may be used only in accordance with the State Small Business Credit Initiative Act of 2010. Appropriated with AR 2012-42 and is a carryover budget subject to supplemental appropriations.

257X00 – Federal/State Fines and Forfeitures Fund

Accounts for monies seized or confiscated by the Police Department in the course of criminal investigations. These resources may be used only to supplement special investigation costs not to supplant the operating budget. This fund has carryover budgets, based on appropriations.

261000 – Miscellaneous Operational Grants Fund

Accounts for the use of miscellaneous restricted contributions and donations from non-state and non-federal entities. This fund includes the donation for the Tri-Centennial Celebration, which previously made up the entire former Fund 257. These resources may be used only in accordance with the grantor agreements. This fund has carryover budgets, based on appropriations.

271000 – Public Services Special Assessment District

Accounts for the special assessment collections from the Downtown Improvement District, Special Assessment District IS97 to be used only for special services approved through the special assessment process. The budget for this fund is appropriated annually, with two appropriations; the first is based on an estimate of the budget year assessment and is included as a section with the GGOB appropriation and the second is true-up to the actual assessments for the year and is presented as a supplemental appropriation.

281000 (313) – Police and Fire Retiree Medical Liability Pre-Funding

(AMC 3.88) Financial resources in this fund may be used only to reduce the subject liability. This fund was established in 1995 with the sole purpose of pre-funding the Police/Fire Retiree Liability by 2014 (now 2021). Police and Fire Departments make contributions to this fund. This fund holds and manages the Municipal investments. The annual budgets for investment fees and contribution to fund 713-Police and Fire Retirees Medical Trust are appropriated as a section with the GGOB and are subject to supplemental appropriation. See Appendix P.

Capital Projects Funds

These funds account for financial resources used for activities related to the acquisition, maintenance, and improvement of major capital facilities or city assets, other than those financed by proprietary funds and trust funds. The majority of the Municipality's capital funds correspond to respective service area (SA) sub-funds of the operating general fund. These funds have carryover project budgets, based on appropriations.

401X00 – Areawide General Capital Improvement Projects

Accounts for general government capital projects not accounted for in other funds.

404X00 – Chugiak Fire SA Capital Improvement Projects

406X00 – Girdwood Valley SA Capital Improvement Projects

409X00 – Miscellaneous Capital Projects Pass-Thru

Accounts for capital improvement projects for out-of-service area roads and drainage, gas lines and pass-thru grants.

419X00 – Chugiak, Birchwood, Eagle River Rural Roads SA Capital Improvement Projects

420X00 – Chugiak, Birchwood, Eagle River Other Capital Improvement Projects

421X00 – Heritage Land Bank Capital Improvement Projects

Accounts for capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

431X00 – Anchorage Fire SA Capital Improvement Projects

441X00 – Anchorage Roads and Drainage SA Capital Improvement Projects

451X00 – Anchorage Police SA Capital Improvement Projects

461X00 – Anchorage Bowl Parks and Recreation SA Capital Improvement Projects

462X00 – Eagle River/Chugiak Parks and Recreation SA Capital Improvement Projects

485X00 – Public Transportation Capital Improvement Projects

Accounts for capital improvement projects for transit facilities and equipment.

490000 (740) – Historic Preservation

(AMC 6.100) Funding in the historic preservation project fund are dedicated to financing historic preservation projects.

Debt Service Funds

Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

301000 – Anchorage Center for the Performing Arts (ACPA) Surcharge Revenue Bond

Accounts for the performing arts center surcharge revenue and debt service on the roof repair loan. This fund is included in, and appropriated with, the GGOB and is subject to supplemental appropriations.

310000 (266) – Jail Revenue Bond Fund

Accounts for debt service on jail revenue bonds and the lease revenue from the jail used to fund the debt service. This fund is appropriated as a section with the GGOB and is subject to supplemental appropriations.

320000 (997) – CIVICVentures Bond Fund

Accounts for the accumulation of lodging revenue transfers and investment earnings and debt service on the convention and civic revenue bonds.

Permanent Funds

Used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

720000 – Cemetery Trust Fund

(AMC 25.60.100) The contributions and earnings of this fund must be used for the perpetual maintenance of the Anchorage Memorial Park Cemetery and columbarium.

730000 – Municipality of Anchorage (non-Expendable) Trust Fund
 (AMC 6.50.060.B) Established to hold the Anchorage Telephone Utility (ATU) Revenue Bond Reserve Investment and any other amounts the assembly may deposit. Defined as an endowment fund with a controlled spending policy limiting dividend distributions and managed by the Municipal Treasurer. The budget for this fund is appropriated annually, typically with two appropriations; the first is for the contribution to general government and is included as a section with the GGOB and the second is for the annual financial management and support services that are presented as a supplemental appropriation.

731000 – Municipality of Anchorage Trust Fund Reserve
 (AMC 6.50.060.B) Established to hold the Anchorage Telephone Utility (ATU) Revenue Bond Reserve Investment and any other amounts the assembly may deposit. May be used to (1) supplement the MOA Trust Fund annual dividend, (2) provide a reduction in property taxes, (3) retire municipal debt or (4) contribute additional funds into the MOA Trust Fund corpus. This fund has not had a balance for several years, but with the 2013 approved budget, received an appropriation which was then fully used in the 2013 revised budget.

Proprietary Funds

Two different types of proprietary funds are used: enterprise funds and internal service funds.

The governmental fund financial statements are reported using the accrual basis of accounting – revenues are recognized when they are earned and measurable and expenses are recognized in the period incurred, if measurable. The basis of budgeting for the proprietary funds conforms to the basis of accounting, with the following exception:

- Municipal Utilities Service Assessment (MUSA) and Municipal Enterprise Service Assessment (MESA) are budgeted as expenditures but classified as Transfers to Other Funds in the combining financial statements.

Enterprise funds

Account for business-type activities of the Municipality. All operating and capital enterprise funds are subject to appropriation.

530X00 – Municipal Light and Power Electric
 Accounts for the operations of the Municipal owned electric utility.

532X00 – Municipal Light and Power Gas
 Accounts for the operations of the Municipal owned gas utility.

540X00 – Water Utility
 Accounts for the operations of the Municipal owned Anchorage Water Utility.

550X00 – Wastewater Utility
 Accounts for the operations of the Municipal owned Anchorage Wastewater Utility.

560X00 – Refuse Utility

Accounts for Municipal-owned refuse collection services.

562X00 – Disposal Waste

Accounts for Municipal-owned landfill and transfer station operations.

566000 – Solid Waste Administration

Account for Municipal-owned solid waste administration.

570X00 – Port of Anchorage

Accounts for the operations of the Municipal owned port.

580X00 – Merrill Field Municipal Airport

Accounts for the operations of Merrill Field, a Municipal-owned airport.

Internal Service Funds

Activities that provide service to Municipal organizations without either a profit or loss.

602000 – General Liability / Workers Compensation

Accounts for money received from other Municipal funds to pay for the costs of premiums, professional services, processing fees and claim settlements related to general liability and workers' compensation claims against the Municipality. This fund is included in, and appropriated with, the GGOB, and is financed by IGCs that are also budgeted in the GGOB.

603000 – Medical/Dental Self Insurance

Accounts for money received from other Municipal funds to pay for the costs of premiums, professional services and processing fees and claims related to medical, dental and life insurance of Municipal employees and their eligible dependents. This fund is not appropriated, but is funded by direct cost expenditures included in the GGOB under each department's salaries and benefits budget.

604000 – Unemployment Compensation

Accounts for money received from other Municipal funds to pay for the reimbursement to the State of Alaska for unemployment compensation claims of former Municipal employees. This fund is not appropriated, but is funded by direct cost expenditures included in the GGOB under each department's salaries and benefits budget.

601000 – Equipment Maintenance Operations

Accounts for the day-to-day operational management and maintenance of general government equipment and vehicles. The appropriation for this fund is separately disclosed on the ordinance that approves the General Government Operating Budget, but is funded by direct cost expenditures included in the GGOB under each department's Contractual/Other Services budget.

606000 – Equipment Maintenance Capital

Accounts for the purchases of vehicles and other equipment. This fund was established to account separately for resources included in the Municipal capital budget; i.e. that do not lapse at year-end. However, the financial data is combined with that of fund 601 for financial statement presentation. This fund has carryover budgets, based on appropriations.

607000 – Information Technology Operations

Accounts for the day-to-day operational data processing services to Municipal organizations. This fund is included in, and appropriated with, the GGOB, and is financed by IGCs that are also budgeted in the GGOB.

608000 – Information Technology Capital

Accounts for the purchases of data processing equipment and software. This fund was established to account separately for resources included in the Municipal capital budget; i.e. that do not lapse at year-end. However, the financial data is combined with that of fund 607 for financial statement presentation. This fund has carryover budgets, based on appropriations.

Fiduciary Funds

Report assets held in a trustee or agency capacity, for the benefit of parties outside the government, and therefore cannot be used to support Municipal programs.

713000 – Police and Fire Retiree Medical Expendable Trust

(AMC 3.87) Investments and income of this fund must be used for the police and fire retirees' medical liability and actual expense incurred on their behalf.

Payments are either disbursed to the participant, or are held in trust in individual participant accounts for future disbursement. See Appendix P.

715000 – Police and Fire Retirement (non-expendable Pension) Trust

Investments and income of this fund must be used to administer and fund police and fire retirees' pensions for Plans I, II and III. Note that proprietary –type accounting is used for pension trusts but in all other respects this trust is treated like a general government activity. The operating budget for the administration of the system is appropriated as a section with the GGOB. The management of the Trust Fund and payment of retirement benefits are not budgeted or appropriated. See Appendix O.

Component Units

Component units are entities for which the Municipality is financially accountable. They are included in the Municipality's government-wide financial statements because of the significance of their operational or financial relationships with the primary government. Complete financial statements of individual component units can be obtained from their respective administrative offices.

Anchorage School District (ASD)

Responsible for elementary and secondary education within Anchorage. Members of the School Board are elected by the voters; however, the ASD is fiscally

dependent upon the primary government because the Assembly approves the total budget of the ASD, levies the necessary taxes, and approves the borrowing of money and the issuance of bonds. ASD is included in the financial reports as a discretely presented component unit. The budget for the ASD is appropriated by the assembly.

Anchorage Community Development Authority (ACDA)

(AMC 25.35) A legally separate public corporation created to provide services to the general public by: operating and managing on-street and off-street parking; purchasing, developing, and selling properties and other economic development activities. The voting majority of the board is composed of members appointed by the Mayor. ACDA is included in the financial reports as a discretely presented component unit. The authority shall prepare and submit an annual budget to the mayor and the assembly prior to approval of the municipality's annual budget.

Alaska Center for Performing Arts, Inc. (ACPA)

A legally separate non-profit entity that provides facility management services for the Municipality and operates, manages, maintains and promotes the performing arts center, which is owned by the primary government. ACPA is included in the financial reports as a discretely presented component unit.

CIVICVentures

A legally separate non-profit corporation created to finance and construct a new convention center for Anchorage, as well as upgrades and improvements to the existing Egan Center. The five-member board of directors is appointed by the Mayor. CIVICVentures is included in the financial reports as a blended component unit, and is reported as a debt service fund and as a capital projects fund.

Appendix S

Financial Policies

The Municipality of Anchorage has established financial policies to achieve and maintain a positive long term financial condition. These policies provide guidelines for current activities as well as future programs.

Funding Sources

The Municipality will try to maintain a diversified and stable funding system to shelter it from unforeseeable short-run fluctuations in any funding source.

The Municipality will estimate its annual funding sources by an objective, analytical process, wherever practical. The Municipality will project revenues for the next year and will update this projection annually. Each existing and potential funding source will be examined throughout the year and the budget will be adjusted during the initial budget preparation and at first quarter budget revision, where reasonable.

Each year the Municipality will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other cost increases.

Federal grant funds will be used to supplement, not replace local funds for grant related activities, per the grant agreements.

Tax Limit (Tax Cap)

In October 1983, the voters of Anchorage passed an amendment to the Charter known as the Tax Limit (or tax cap). While some think of it as a property tax cap, it actually sets a limit on how much all taxes can increase from one year to the next. Other taxes collected by the Municipality that are under the tax cap are on automobile registration, tobacco, aircraft registration and motor vehicle rental.

Proponents of the tax cap recognized that it was important that taxes be allowed to increase (although controlled) in order to keep up with demands of a growing community. Growth in taxes under the tax cap is permitted by annual adjustments for inflation, population, and new investment in the community. Voters also increase the tax cap when they approve general obligation bonds and corresponding increased operations and maintenance costs, both of which are disclosed bond propositions on the ballot.

In 2003, a substantive change to the tax cap was made by the Mayor and Assembly when they decided to exclude payments by municipal-owned utilities and enterprises. From 1984 to 2003, utility and enterprise payments were considered payment-in-lieu-of-taxes (PILT) and accordingly, fell under the tax cap. From a property taxpayer point of view, the practical effect of this was that these payments reduced the amount of property

taxes that could be collected – every dollar paid in a PILT meant a dollar less in property taxes could be collected.

The 2003 change excluded utility and enterprise PILT payments from the tax cap. At the same time, the Mayor and Assembly substantially increased how much utilities and enterprises were to pay in PILTs. Since utility and enterprise PILT revenue was no longer included in the total tax calculation, municipal government got more money to spend.

This prompted a citizen initiative (Proposition 9) in 2009 to return the tax cap to how it originally worked. The initiative passed with 60% of the vote and utility and enterprise PILT payments were again included in the tax cap's calculation. This change, which was phased-in over three years, resulted in approximately \$20 million in property tax savings annually.

Since property taxes are a major funding source for the Municipality, preparing a preliminary tax cap for the initial budget is a key step toward balancing the budget. During First Quarter Budget Amendment process, the tax cap is finalized for the year and the budget is balanced accordingly.

Intra-governmental Charges (IGCs)

These are charges for services provided by one Municipal organization to another. For example, the Maintenance and Operations Division maintains all general government buildings. Maintenance costs are budgeted in Maintenance and Operations and charged out to the appropriate users. By using an intra-governmental charge system, the full cost of a program – including overhead – is associated to a program. This system also allows general government departments/agencies to properly charge Municipal utilities, grants, and capital projects for services provided, resulting in a funding source for general government that is used to balance the budget.

Fund Balance

Fund balance is generally defined as the difference between a fund's assets and liabilities. The Municipality has a policy to maintain an amount equal to 10 percent of current year expenditures for unrestricted fund balance.

Two fund balance reserves are calculated during the First Quarter Budget Amendment process:

The largest reserve (usually about \$26 million) is designated for bond rating purposes and consists of 8.25 percent of current year expenditures. This reserve assures bond rating agencies that if there was a substantial decrease in the Municipality's revenue, funding still would be available to pay debt service (this reserve helps keep down the interest rate of the Municipality has to pay when it borrows funds through issuing bonds).

The second reserve is for operating emergencies and consists of between 2 to 3 percent of current year expenditures. This reserve provides funding to pay unanticipated obligations such as legal settlements. This reserve usually is between \$6 and \$9 million in total.

Fund balance is determined at the close of the prior fiscal year (typically mid-March) and the current year reserves are then set during the First Quarter Budget Amendment process. If additional fund balance is required to achieve the necessary reserves, the budget will be balanced to accommodate the use of funds. If there is more than sufficient fund balance to achieve the necessary reserves, the excess fund balance may be used as a funding source to balance the budget.

Spending Limit

The Municipal Code also includes a Spending Limit that restricts expenditure increases to inflation, population, and voter/legally mandated services. Both the tax cap and the Spending Limit were effective with the 1984 budget.

Capital Improvement

The Capital Improvement Program (CIP) is a six-year plan that guides the Municipality's capital improvement plans into the future. Each year it is updated and serves as the starting point for developing the current year Capital Improvement Budget (CIB).

Municipal departments prepare a comprehensive list of capital projects that are needed. Projects for this "Needs List" are proposed to departments by staff, the Municipal Administration, and others such as community councils, municipal boards and commissions, and Assembly members. Projects are scored against criteria such as the project's impact on safety, economic benefits, level of public support, if it is mandated, readiness and technical feasibility.

To gather community input, each spring OMB sends out a survey to community councils to solicit their comments on CIP projects as well as ideas to new projects in their area. This feedback is integrated into the prioritization process along with the other criteria.

Investment

It is the policy of the Municipality to invest public funds in a manner that provides the highest investment return consistent with preservation of capital while meeting the daily cash flow demands of the Municipality. Investment decisions shall be guided by the Municipal Code, the Operating Policy and Procedures for investment of Municipal funds, as modified from time to time by the Chief Fiscal Officer.

The Chief Fiscal Officer shall obtain the services of such investment managers, advisors, custodians and other professionals as are reasonably prudent and necessary to manage and invest all Municipal Funds. The Chief Fiscal Officer shall solicit input from the Investment Advisory Commission members prior to the final selection of any service providers. For an investment manager, advisor, custodian or other professionals contracted under the provisions of this section, Assembly approval is not required. The Chief Fiscal Officer shall report within 90 days to the Assembly, by Assembly Informational Memorandum, on contracts entered into to include, but not limited to, the duties to be performed by the contractor and the compensation paid.

Debt

No general obligation bonded indebtedness may be incurred unless authorized by the Assembly and ratified by a majority vote of those in the municipality voting on the question, except that refunding bonds may be issued without an election. General obligation debt of service areas must receive dual majority votes.

Tax, revenue, and grant anticipation notes shall be repaid within 12 months from their date of issuance. When the taxes, revenues or grants anticipated are not received within this time, the Assembly may renew the notes for a period not to exceed six months.

Debt service (principal, interest and fees related to borrowing) is included in the operating budgets. Debt service related to voter-approved bonds is included in the tax limit, thus is guaranteed to be funded.

Reporting and Audit

The Chief Fiscal Officer shall submit to the Assembly on an annual basis reports addressing portfolio performance and compliance. The annual report shall address the use of investment consultants and external money managers, the use of derivatives, securities lending activities and bank lines of credit. The report shall also include compliance with the requirements regarding portfolio diversifications, maximum holdings by type of authorized investment, and portfolio performance compared with portfolio benchmarks.

The Assembly shall provide for an annual independent audit of all municipal accounts by a certified public accountant. The audit shall be completed within 90 days following the close of the fiscal year.

Budget

It is illegal to expend money outside of the budget. AMC (Anchorage Municipal Code) 6.30.050 prohibits any contract, agreement, or other obligation, ordinance, resolution or order involving the expenditure of money, unless the Chief Fiscal Officer has certified that the money required for the expenditure has been appropriated for that purpose. AMC 6.10.040 requires the Mayor to submit a proposed budget for the next fiscal year to the Assembly at least 90 days before the end of the current fiscal year. And, AMC 6.10.070 allows the Assembly to increase or decrease, add or delete; but requires them to approve a budget and appropriate the necessary resources by ordinance at least 21 days prior to the end of the current fiscal year; otherwise, the Mayor's proposal becomes the budget and appropriation.

Accountability for Results

In early 2010 the Mayor launched an initiative by which departments report on the effectiveness of programs. This accountability initiative, called "Anchorage: Performance. Value. Results. (PVR)" reports the "return on investment" to citizens of

their tax dollars in terms of services. It is not sufficient for programs to spend money and do a lot of activities without accountability to the results from that spending.

To report results to citizens, the budget includes the PVR framework for each department and division that includes its purpose, services, goals, performance measures and data that communicates how well the goals are being achieved. Performance measure information will be updated throughout the year and can be viewed at www.muni.org.

Transparency in Budgeting

In addition to the inclusion of reports about program performance measurement, the 2013 operating budget also provides significant detail on spending at the department and division level. This includes detailed breakdown on the components of salary and benefit spending (over 50 percent of the entire budget); details regarding the revenue that supports each department and division, and the types of positions that deliver services.

Balanced Budget

The Municipality is required to have a balanced budget, a budget in which revenues and financing sources and expenditures and financing uses are equal. The Municipality may use fund balance to supplement unexpected revenue shortfall when needed, in order to achieve a balanced budget. The mayor shall notify the Assembly in writing within 21 days if a projected revenue shortfall in aggregate exceeds one percent of the total general government operating budget. The notice shall be delivered to the municipal clerk's office for distribution to the Assembly.

Reports

The Chief Fiscal Officer shall provide financial reporting on a monthly basis to the Assembly, with an executive summary, as determined in June of each year. On a quarterly basis, monthly reporting shall include the additional reporting requested by the Assembly. Reported positive or negative variances of five percent or more for expenses by department and one percent or more for revenues in aggregate for all general government funds within the one hundred series of accounts shall be noted with specificity in the executive summary (AMC 6.40.015).

Six Year Program

At least 90 days before the end of the fiscal year of the Municipality, the Mayor shall submit to the Assembly, with recommendations from the planning commission, a six-year program for public services, fiscal policies and capital improvements of the Municipality. The program shall include estimates of the effect of capital improvement projects on maintenance, operation and personnel costs. The Assembly shall hold at least one public hearing on the six-year program prior to adoption (AMC 13.02).

Budget Procedures

The Municipality’s budget process has four areas of focus:

General Government Operating

Day-to-day operation of programs and services—from paying police officer salaries, to maintaining parks, and plowing snow. The primary source of revenue required to support the operating budget comes from property taxes. The budget is presented for a calendar year, in line with the Municipality’s fiscal year.

General Government Capital

Plan for additional funding for improvements to the Municipality’s infrastructure, such as roads, park construction and repairs, and new fire stations. The main source of funds to pay for these improvements is new voter-approved bonds, which are a financing tool similar to a loan that is paid back over time with interest. Payment of these bond proceeds is called debt service and is included in the operating budget. The plan is presented for a calendar year, in line with the Municipality’s fiscal year.

Enterprise and Utilities Operating and Capital

Anchorage Water and Wastewater and Municipal Light and Power utilities and Solid Waste Services, Port of Anchorage, and Merrill Field enterprises. Each entity has its own operating and capital budgets, which are paid for by ratepayers or users of their respective services. The budgets are presented for a calendar year, in line with the Municipality’s fiscal year.

Anchorage School District

Budget year runs from July 1 to June 30. The budget is proposed by the School Superintendent and approved by the School Board. In the spring, it is submitted to the Anchorage Assembly for their approval, which is limited to approval of the budget’s bottom line.

Budget Planning and Timeline

The Mayor is required to submit the proposed general government, enterprise and utilities operating and capital budgets to the Assembly 90 days prior to the end of the fiscal year (October 1st).

Prior to that (120 days prior to the end of the fiscal year), the Administration is

Key Dates in Budget Process	
Summer	Preliminary budget information gathered
September 2	Preliminary budget information to Assembly
October 1	Mayor proposed budgets
October, November	Assembly deliberates, holds public hearings
December	Deadline for Assembly approval
April	Finalize budget revisions, set property tax rates
May 15	Property tax bills in mail

required to provide preliminary information on the budget, revenues, Tax Cap, and major reorganizations.

Preparation of the budget starts much earlier. A preliminary planning phase gets underway in the summer. The Office of Management and Budget (OMB) works with departments to review their programs and responsibilities, assess what is being done during the current year, and begins to make plans for the next budget year. Some considerations during this phase are:

- Contractually obligated increases, such as labor contracts and health insurance premiums;
- New facilities that will open during the next fiscal year that will require staff, supplies, and other operating expenses;
- New responsibilities or programs required by Federal, State or local laws;
- New or changed programs to meet community needs or interests;
- Programs that can be eliminated because they are ineffective, no longer required, or desired; and/or
- Efficiencies and savings that can be achieved through organizational management.

During this period of time, OMB also reviews projected revenue information in order to get an early indication of the Municipality's ability to afford current spending levels and/or the potential need for reductions.

Balanced Budget

The Municipality is required to have a balanced budget, a budget in which revenues and financing sources and expenditures and financing uses are equal. This, coupled with the Tax Cap, requires an early estimate of both expenditures and revenues. Once this revenue/spending assessment is made, each department is given guidance for developing its preliminary budget proposal. Such guidance includes general direction from the Mayor regarding his/her program priorities.

Mayor Proposes/Assembly Appropriates

The Mayor submits the proposed operating and capital budgets to the Assembly in early October, the Assembly holds public work sessions at which the Administration and department directors discuss the Mayor's proposal.

Public Comment

The budget books are put on the Office and Management and Budget's website, as well as the Mayor's website, for the public to view. The Assembly is required to hold two public hearings on the Mayor's proposed budget, which is the official opportunity for the public to comment and the Assembly to consider amendments. These are usually held during October and November. The Anchorage Charter requires that the Assembly approve the budget 21 days before the end of the year (by December 10). But if for some reason they still have not reached agreement, the Charter was amended to allow the Assembly and Mayor to continue to work. Once agreement is reached, that budget is known as the "Approved Budget."

Veto Process

The Mayor has the ability to strike or reduce an appropriation in the operating or capital budget within 7 days from Assembly action. The Assembly then has 21 days from the Mayor's veto to override his/her action and must have a super-majority of 8 Assembly members to be successful. If a veto is sustained, the Mayor's action is implemented.

First Quarter Budget Amendments

During the spring following the budget's approval, the Administration finalizes the prior year's spending numbers and firms up revenues available to support the current year budget, including final tax cap. This process, called "First Quarter Budget Amendments," takes place in April and May and results in the Assembly's approval of a "Revised Budget."

Unlike the proposed budget process in the fall that requires two public hearings, the first quarter amendment process only requires one public hearing and usually is at the Assembly meeting that follows the Mayor's introduction of the proposed amendments.

Based on these final spending decisions for general government, the Assembly then sets the tax rates for each service area. The Municipality's schedule is to mail tax bills on May 15th with the first half payment due June 15th (state law requires that taxpayers be provided notification a minimum of 30 days before taxes are due).

Budget Monitoring, Controls and Amendments

The budget allocates spending among several categories: labor (salaries and benefits); non-labor (supplies, travel, contracts, etc); contributions; debt service; and depreciation and amortization. Each department, enterprise and utility is responsible for managing and monitoring their respective budget at these category levels. Actual expenditures may not exceed direct budget appropriations at the individual department levels and function budget appropriations at the enterprise, utility and general government fund levels. Spending reports are provided monthly to the Assembly which reflect labor, overtime, and non labor expenditures compared to budget. Quarterly, the spending reports, contributions to non profit organizations, and travel are provided to the Assembly.

The Assembly may, by resolution, reduce or increase appropriations during the course of the fiscal year. A resolution reducing or increasing appropriations by an amount in excess of \$100,000 shall be subject to a public hearing.

The Budget Office is authorized to transfer budget amounts within departments.

Revisions that change the total expenditures of any department, or fund, must be approved by the Assembly. Appropriations that are not expended, encumbered, or designated to be carried over, lapse at the end of the fiscal year. Departments, enterprise and utilities also monitor their program performance measures throughout the year to ascertain if goals are being met.

2015 Proposed General Government Operating Budget
Municipality of Anchorage
Operating & Capital Budgets -- General Government / Utilities / Enterprises
2015 - Budget (Preliminary)

Action	Date	Category
Available Online Community Council Surveys	March 19	Capital
Community Council surveys due to OMB	May 31	Capital
Rollover of 2014 1Q to Upgraded version in TeamBudget budget preparation system	June	Operating
Rollover of 2013 1Q Upgraded version to SAP Master Data	June	Operating
Rollover of 2014 1Q to 2015	June	Operating
Capital rollover in TeamBudget	July	Capital
TeamBudget available to departments	July	All
OMB distributes Mayor's operating funding guidance and initial capital funding guidance and priorities to departments	July	All
OMB to coordinate with departments for IGC data	July	Operating
Dept finalize project entry in TeamBudget (date factor - legislative grants bill comes out in June)	July	Capital
Treasury to provide to OMB preliminary revenue projections	July 25	Operating
Public Finance to provide OMB: bond P&I projections; bond payout for next year; utility/enterprise cash pool earnings, debt service schedules and equity ratios.	July 25	All
Department proposed budget changes and changes to 2015 - 2020 CIP and 2020 additions due to OMB. Close TeamBudget.	Aug 1	All
Utilities / enterprise submit CIB / CIP	Aug 1	Capital
Preliminary Tax Cap Calculation	Aug 1	Operating
OMB compiles summary of department changes for Mayor review	Aug 4	All
Mayor meets with departments and reviews budget proposals and PVRs	Aug	All
Departments review proposed capital budget	Aug	Capital
Service Area budgets due to OMB	Aug 22	Operating
Initial assessed value projection due to OMB from Prop. Appraisal	Aug 22	Operating
Mayor's decision on operating, CIB, CIP	Aug 29	Capital
Preliminary budget information to Assembly - " 120 Day Memo " (revenues, tax limit, service priorities, reorganizations, utility / enterprise business plans, update to utility / enterprise strategic plans, and proposed	Sept 3	A All
Preparation of final CIB / CIP narratives & data presentations	Sept 2 - 12	Capital
OMB run IGCs	Sept 5	Operating
Mayor's final decisions	Sept 10	Operating
OMB completes Proposed CIB / CIP Book, AR, AM, & AO	Sept 19	Capital

2015 Proposed General Government Operating Budget
Municipality of Anchorage
Operating & Capital Budgets -- General Government / Utilities / Enterprises
2015 - Budget (Preliminary)

Action	Date	Category
OMB presents CIB / CIP and 6 Year Program to Planning & Zoning Commission for recommendations	Sept	Capital
OMB completes GG Ops / Utl Proposed Budget Books, AO, AR, and AM &	Sep 26	Operating
OMB submits 6-Year Program and 2014 Budgets to Assembly (NLT October 1)	Oct 2	B All
Formal introduction of Mayor's budgets to Assembly	Oct 7	All
Assembly Worksession - 2015 Operating Budget Overview (proposed date)	Oct 10	Operating
Assembly Worksession - 2015 Utilities/Enterprise/Capital Budgets	Oct 17	Utl / Ent / Cap
Assembly Public Hearing # 1 on proposed budget (proposed date)	Oct 21	C All
Assembly Public Hearing # 2 on proposed budget (proposed date)	Nov 5	C All
Assembly Worksession - Assembly amendments (proposed date)	Nov 7	All
Assembly Meeting - adoption of budgets (proposed date)	Nov 18	C All
OMB / IT upload adopted budget into SAP	Dec 3	C Operating

Note: All dates are subject to change.

A

6.10.040 Submittal and adoption of municipal operating and capital budget. **September**

A. At least 120 days before the end of the fiscal year the Mayor shall submit to the Assembly the following:

1. A preliminary general government capital budget/capital program and utilities capital budget/capital program.
2. Proposed utility business plans and update to utility strategic plans.
3. Preliminary general government revenue plan, tax limitation, and administration service priorities.
4. Major departmental consolidations, reorganizations or establishments necessitating changes to Chapter 3.10 or 3.20, pertaining to executive organization, and required by proposed budgets for the next fiscal year.

B

Section 13.02. Six Year Program October

At least 90 days before the end of the fiscal year of the municipality the mayor shall submit to the assembly, with recommendations from the planning commission, a six-year program for public services, fiscal policies and capital improvements of the municipality. The program shall include estimates of the effect of capital improvement projects on maintenance, operation and personnel costs. The assembly shall hold at least one public hearing on the six-year program prior to adoption.

Section 13.03. Operating and capital budget. October

At least 90 days before the end of the fiscal year of the municipality the Mayor shall submit to the Assembly a proposed operating and capital budget for the next fiscal year. The form and content of the budget shall be consistent with the proposed six-year program. The Mayor shall submit with the budget an analysis of the fiscal implications of all tax levies and programs.

C

Section 13.04. Budget hearing.

The Assembly shall hold at least two public hearings on the proposed operating and capital budget for the next fiscal year, including one hearing at least 21 days after the budget is submitted to the Assembly, and one hearing at least seven but not more than 14 days prior to the adoption of the budget.

D

6.10.040 Submittal and adoption of municipal operating and capital budget.

B. The general government capital budget/capital program will be adopted at least 21 days prior to the end of the

Appendix T

Department Goals Aligned with Mayor's Strategic Framework

Mayor's Overarching Framework

Core Values

- Safety – providing for the safety and well-being of our community
- Excellence – passion to do our best every day
- Stewardship – using our time and resources wisely
- Integrity – doing the right thing, not the easy thing
- Accountability – accountable to the community for our actions

Mission

Provide and maintain effective and fiscally responsible municipal services that foster a high quality of life.

Vision



Exemplary municipal operations



A safe place to call home



A flourishing, broad-based and sustainable economy



An inviting place to live, work and play



A premier destination

Goals

- Improve the efficiency and effectiveness of Municipal operations
- Strengthen public safety
- Achieve fiscal sustainability
- Improve the transportation system
- Achieve a stable and reliable source of energy
- Promote economic development
- Improve community relations and earn a positive public opinion as to the Administration's overall performance and the delivery of core services
- Enhance academic excellence while maintaining cost effectiveness
- Maximize Federal and State support for priority programs and projects
- Work effectively with Municipal Assembly

Department Goals that Contribute to Achieving the Mayor's Vision:

Vision:  A Safe Place to Call Home

Anchorage Fire Department

- Improve outcome for sick, injured, trapped and endangered victims
- Reduce fire damage, eliminate fire deaths and injuries
- Prevent unintended fires

Anchorage Police Department

- Maintain the rate of Uniform Crime Report (UCR) Part I crimes in Anchorage at or below the national average for comparable size communities
- Reduce the rate of adult sexual assault in Anchorage
- Decrease the number of drivers Operating Under the Influence (OUI)
- Maintain a rating on the UAA Community Indicators Project wherein the majority of respondents state they are “Satisfied” or “Very satisfied” with police services in Anchorage

Health and Human Services Department

- Maintain and improve the health and well-being of all Anchorage citizens, including its most vulnerable.
- Protect public health by reducing communicable disease and ensuring safe food handling and preparation practices in restaurants and other food facilities.

Emergency Management Division

- Improve MOA’s emergency preparedness by completing revisions to the Emergency Operations Plan

Transportation Inspection Division

- Protect the safety and welfare of the regulated vehicle customers

Public Transportation Department

- Provide public transportation services which are safe, convenient, accessible and reliable
- Increase ridership

Public Works Department - Maintenance and Operations Division

- Complete declared plow-outs within 72 hours of a snowfall four inches or more within Anchorage Roads and Drainage Service Area (ARDSA)
- Repair reported potholes within 24 hours within ARDSA

Community Development Department

- Ensure development-related infrastructure is designed and constructed according to municipal design criteria, standards, codes, and practices, while staying mindful that the economic health of the community depends on maintaining a way to employ the most cost-effective design and construction practices
- Eliminate duplicate street names to ensure the uniqueness of each address, thereby improving E911 response times

Vision:  **A Flourishing, Broad-Based and Sustainable Economy**

Finance Department - Property Appraisal Division

- Timely annual assessment of all taxable property
- Ensure accurate data collection for property records

Finance Department - Public Finance and Investments Division

- Maintain at least the current AAA rating by Standard & Poor's and AA+ rating by Fitch for the MOA's general obligation
- Provide an aggregate investment return, net of fees, that outperforms the benchmark for the MOA's aggregate portfolio

Public Transportation Department

- Provide public transportation services which are safe, convenient, accessible and reliable
- Increase ridership

Public Works Department - Traffic Division

- Continuous improvement in the safe and efficient movement of people and goods
- Traffic operation improvements that maximize transportation safety and system efficiency

Public Works Department – Maintenance & Operations Division

- Annually inspect and clean “as required” all storm drain structures per Alaska Pollution Discharge Elimination System (APDES) Phase II permit within ARDSA

Vision:  **An inviting Place to Live, Work and Play**

Library Department

- Increase opportunities for our children's success when they enter school by teaching the foundations of reading, social skills and, creative skills through early learning educational activities
- Improve civic engagement, cultural enrichment, and enhance the quality of life for all Anchorage residents through provision of life-long educational services including library materials, online resources and programs/events
- Improve economic advancement by providing equitable access to computing equipment and resources and improve public safety by providing safe and stimulating places for teens and clean, well-maintained buildings for all

Community Development Department

- Provide community planning services
- Provide on-site water and wastewater permitting, certification, training and enforcement consistent with goals of protecting public health and environmental quality
- Respond to land use code complaints within established timeframes
- Complete final zoning inspections same day as requested
- Provide timely and accurate services for:
 - Land use reviews/determinations
 - Administrative land use permits
 - Business facility reviews and inspections
 - Assignment of new addresses
 - Maintenance of GIS map data layers for roads and addresses

Equal Rights Commission

- Eliminate discriminatory practices by providing outreach and education in our community to improve compliance with the law

Vision:  **A Premier Destination**

Parks and Recreation Department

- Provide opportunities for residents and visitors to enjoy Anchorage's parks and facilities
- Provide recreation opportunities that are safe, secure and enjoyable
- Provide a high standard of care and maintenance for all parks, trails, and facilities. The 2014 bond funded projects are scheduled to be completed at the end of 2015. PRD will request the approved O&M funds in 2016.

Vision:  **Exemplary Municipal Operations**

Employee Relations Department

- Attract and retain a productive, qualified workforce while adhering to all federal, state and local laws, regulations and agreements
- Centralize administrative functions to improve performance and conserve resources

Finance Department - Controller Division

- Report fairly, without material misstatement, the financial results of the Municipality of Anchorage on an annual basis
- Maintain a system of internal controls such that transactions are accurately recorded on a timely basis to reduce the risk of fraud and error

Information Technology Department

- Define and enforce enterprise wide technology standards and practices
- Total IT operations cost as an appropriate percentage of overall MOA operations costs
- Deliver new municipal services to MOA departments and citizens via technology
- Improve IT service delivery, processes, standards and policies by applying best practices

Management and Budget Department

- Implement the Mayor's "Performance. Value. Results" performance-based management initiative

Municipal Attorney

- Maintain high quality, efficient production of legal services through low turnover rate of professional staff, and successful completion by attorneys of subject matter training/continuing legal education

Public Works Department - Engineering Division

- Design capital improvement projects that are cost-effective, maintenance-friendly

Municipal Manager Department - Risk Management Division

- Lower the cost of Municipal operations by reducing both the number of accidents and the severity of accidents in workers' compensation, auto liability and general liability exposures