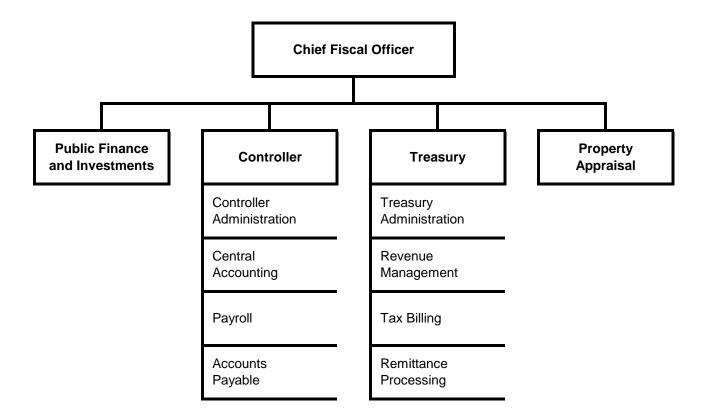


### **Municipality of Anchorage**

## **Finance**

### **Finance**



### **Finance**

### Description

The Finance Department's mission is to support public services through prudent and proactive financial services.

- Generate and collect revenues to fund municipal operations
- Maintain the highest possible bond rating
- Deliver monthly, quarterly, and annual financial results of operations
- Process, record, and analyze financial data
- Improve access to Municipal records and information
- Mitigate risk of financial loss
- Safeguard Municipal financial and fixed assets

### **Department Services/Divisions**

- Controller Division is responsible for all municipal accounting functions. This includes fund accounting, grant accounting, capital project accounting, reconciliation, payroll, accounts payable, fixed asset and the compilation of the Comprehensive Annual Financial Report (CAFR).
- Property Appraisal Division provides a fair and equitable basis for the valuation of all taxable property within the Municipality of Anchorage. The Division administers all property tax exemption determinations as well as providing administrative support for the Board of Equalization.
- The Public Finance & Investment Division is responsible for issuing and managing municipal bonds, investments and cash.
- The Treasury Division is responsible for billing, collecting and auditing major municipal revenue sources. Tax revenues provide primary funding for city services such as: public safety, education, roads and transportation, health & human services and cultural & recreational services. Additional Treasury Division responsibilities include cash receipt processing and remittance processing services.

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



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 AA+ rating for the MOA's general obligation as currently assigned by the rating agencies Standard & Poor's and Fitch
- Provide an aggregate investment return, net of fees, that outperforms the benchmark for the MOA's aggregate portfolio



### **Vision:** Exemplary Municipal Operations

### 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
- To continue to receive the GFOA (Government Finance Officers Association) Certificate of Achievement for excellence in financial reporting. This award, which represents the highest award in government financial reporting, has been received continuously since 1981.

# Finance Department Summary

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Division				
Controller	3,274,471	3,786,817	4,067,327	7.41%
Property Appraisal	4,472,343	4,346,240	4,422,796	1.76%
Public Finance & Investment	1,484,665	1,567,646	1,576,433	0.56%
Treasury	2,897,280	4,452,141	4,613,640	3.63%
Direct Cost Total	12,128,759	14,152,843	14,680,196	3.73%
Intragovernmental Charges				
Charges by Other Departments	2,346,632	3,849,883	4,582,980	19.04%
Charges to Other Departments	(5,288,761)	(7,188,685)	(9,278,938)	29.08%
Function Cost Total	9,186,631	10,814,041	9,984,238	<7.67%>
Program Generated Revenue	(2,391,862)	(2,665,341)	(2,711,939)	1.75%
Net Cost Total	6,794,769	8,148,700	7,272,299	<10.76%>
Direct Cost by Category				
Salaries and Benefits	10,709,259	11,122,916	11,659,177	4.82%
Supplies	73,583	63,890	62,890	<1.57%>
Travel	8,694	20,000	14,828	<25.86%>
Contractual/OtherServices	1,267,450	2,873,863	2,920,201	1.61%
Debt Service	38,543	38,544	-	-
Equipment, Furnishings	31,231	33,630	23,100	<31.31%>
Direct Cost Total	12,128,759	14,152,843	14,680,196	3.73%
Position Summary as Budgeted				
Full-Time	84	95	96	
Part-Time	15	2	2	
Position Total	99	97	98	

# Finance Reconciliation from 2013 Revised Budget to 2014 Proposed Budget

		P	ositions	
	Direct Costs	FT	PT	Т
2013 Revised Budget	14,152,843	95	2	-
Debt Service Changes - Master Lease for remittance processing paid off in October 2013	(38,544)	-	-	-
Changes in Existing Programs/Funding for 2014 - Salary and benefits adjustments	481,562	-	-	-
2014 Continuation Level	14,595,861	95	2	-
2014 One-Time Requirements - Road survey required by Governmental Accounting Standards Board (GASB) every three years, last one was done in 2011	120,000	-	-	-
2014 Proposed Budget Changes	(00 700)			
- Controller - Miscellaneous non-labor savings	(30,702)	-	-	-
- Controller - Align Admin Officer pay with duties performed	15,859	-	-	-
- <u>Public Finance</u> - Miscellaneous non-labor savings	(12,722)	-	-	-
<ul> <li>Property Appraisal - Increase Vacancy Factor</li> <li>Property Appraisal - Miscellaneous non-labor savings</li> </ul>	(80,000) (34,640)	-	-	-
- <u>Treasury</u> - Add tobacco exemption enforcer, funded by position-generated increase in annual registration/licensing fees and Tobacco Tax Revenue	83,396	1	-	-
Treasury - Reclass existing tobacco tax enforcement positions in response to higher level and broadened scope of work, funded by position-generated increase in Tobacco Tax Revenue	35,444	-	-	-
- <u>Treasury</u> - Miscellaneous non-labor savings	(12,300)	-	-	-
	14,680,196	96	2	

# Finance Division Summary

### Controller

(Fund Center # 132379, 132479, 132100, 132279, 132400, 132179, 132300, 132200)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	3,223,685	3,662,507	3,853,719	5.22%
Supplies	13,848	15,730	15,730	-
Travel	1,787	10,000	4,828	<51.72%>
Contractual/Other Services	32,569	73,050	178,050	143.74%
Equipment, Furnishings	2,583	25,530	15,000	<41.25%>
Manageable Direct Cost Total	3,274,471	3,786,817	4,067,327	7.41%
Debt Service	-	-	-	
Direct Cost Total	3,274,471	3,786,817	4,067,327	7.41%
Revenue by Fund				
Fund 101000 - Areawide General	15,386	13,600	13,600	-
Revenue Total	15,386	13,600	13,600	-

### Positions as Budgeted

	2012 Revised		2013 Revised		2014 Proposed		oposed	
	Full Time	Part Time		Full Time	Part Time		Full Time	Part Time
Accounting Clerk II	1			_	_		_	_
	1	_	L	-	<u> </u>		-	_
Accounting Clerk IV	1	-	L	2	-		2	-
Administrative Officer	2	-	L	2	-		2	-
Assistant Payroll Manager	-	-		1	-		1	-
Controller	-	1		1	-		1	-
Finance Management Asst	-	1		1	-		1	-
Finance Supervisor	-	-		3	-		3	-
Junior Accountant	1	-		2	-		2	-
Junior Admin Officer	2	-		1	-		1	-
Principal Accountant	1	3		1	-		1	-
Principal Admin Officer	-	1		1	-		1	-
Senior Accountant	4	-		4	-		4	-
Senior Staff Accountant	7	1		9	-		9	-
Technology Analyst	-	-		2	-		2	-
Positions as Budgeted Total	19	7		30	-		30	-

# Finance Division Detail

### Controller

(Fund Center # 132379, 132479, 132100, 132279, 132400, 132179, 132300, 132200)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	3,223,685	3,662,507	3,853,719	5.22%
Supplies	13,848	15,730	15,730	-
Travel	1,787	10,000	4,828	<51.72%>
Contractual/Other Services	32,569	73,050	178,050	143.74%
Equipment, Furnishings	2,583	25,530	15,000	<41.25%>
Manageable Direct Cost Total	3,274,471	3,786,817	4,067,327	7.41%
Debt Service	-	-	-	-
Direct Cost Total	3,274,471	3,786,817	4,067,327	7.41%
Intra-Governmental Charges				
Charges by Other Departments	471,851	1,150,038	1,056,180	<8.16%>
Charges to Other Departments	(3,730,928)	(4,993,418)	(5,106,891)	2.27%
Program Generated Revenue				
406610 - Computer Time Fees	978	1,000	1,000	-
406620 - Rmb Cost-NonGrntFund	14,387	12,600	12,600	-
408550 - Cash Over & Short	-	-	-	-
460070 - MOA Property Sales	21	-	-	-
Program Generated Revenue Total	15,386	13,600	13,600	-
Net Cost				
Manageable Direct Cost	3,274,471	3,786,817	4,067,327	7.41%
Debt Service	-	-	-	-
Charges by Other Departments	471,851	1,150,038	1,056,180	<8.16%>
Charges to Other Departments	(3,730,928)	(4,993,418)	(5,106,891)	2.27%
Program Generated Revenue	(15,386)	(13,600)	(13,600)	-
Net Cost Total	8	(70,163)	3,016	<104.30%>

# Finance Division Summary Property Appraisal

(Fund Center # 135100)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	4,250,428	4,132,839	4,244,035	2.69%
Supplies	40,049	27,160	26,160	<3.68%>
Travel	-	5,000	5,000	-
Contractual/Other Services	172,131	181,241	147,601	<18.56%>
Equipment, Furnishings	9,735	-	-	
Manageable Direct Cost Total	4,472,343	4,346,240	4,422,796	1.76%
Debt Service	-	-	-	
Direct Cost Total	4,472,343	4,346,240	4,422,796	1.76%
Revenue by Fund				
Fund 101000 - Areawide General	15,946	7,780	7,780	-
Revenue Total	15,946	7,780	7,780	-

### Positions as Budgeted

	2012 F	2012 Revised		Revised	2014 Proposed		
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	
						Ì	
Accounting Clerk III	4	-	4	-	4	-	
Appraisal Analyst	12	-	11	-	11	-	
Appraisal Supervisor	-	2	3	-	3	-	
Appraisal Technician	1	-	-	-	-	-	
Appraiser	6	- 1	5	-	5	-	
Junior Admin Officer	1	-	-	-	-	-	
Municipal Assessor	-	1	1	-	1	-	
Property Appraisal Admin	-	2	2	-	2	-	
Senior Admin Officer	-	1	-	-	-	-	
Senior Appraiser	10	-	10	-	10	-	
Senior Office Assistant	1	-	-	-	-	-	
Positions as Budgeted Total	35	6	36	_	36	_	

# Finance Division Detail Property Appraisal

(Fund Center # 135100)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	4,250,428	4,132,839	4,244,035	2.69%
Supplies	40,049	27,160	26,160	<3.68%>
Travel	-	5,000	5,000	-
Contractual/Other Services	172,131	181,241	147,601	<18.56%>
Equipment, Furnishings	9,735	-	-	-
Manageable Direct Cost Total	4,472,343	4,346,240	4,422,796	1.76%
Debt Service	-	-	-	-
Direct Cost Total	4,472,343	4,346,240	4,422,796	1.76%
Intra-Governmental Charges				
Charges by Other Departments	1,214,149	1,303,011	1,135,608	<12.85%>
Program Generated Revenue				
406130 - Appraisal Appeal Fee	11,890	5,000	5,000	-
406570 - Micro-Fiche Fees	2,809	2,000	2,000	-
406580 - Copier Fees	273	680	680	-
406610 - Computer Time Fees	163	100	100	-
406620 - Rmb Cost-NonGrntFund	811	-	-	-
Program Generated Revenue Total	15,946	7,780	7,780	-
Net Cost				
Manageable Direct Cost	4,472,343	4,346,240	4,422,796	1.76%
Debt Service	-	-	-	-
Charges by Other Departments	1,214,149	1,303,011	1,135,608	<12.85%>
Program Generated Revenue	(15,946)	(7,780)	(7,780)	
Net Cost Total	5,670,546	5,641,471	5,550,624	<1.61%>

# Finance Division Summary

### **Public Finance & Investment**

(Fund Center # 131300)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	571,787	621,064	642,573	3.46%
Supplies	1,399	2,100	2,100	-
Travel	3,782	-	-	
Contractual/Other Services	905,202	942,482	929,760	<1.35%>
Equipment, Furnishings	2,497	2,000	2,000	-
Manageable Direct Cost Total	1,484,665	1,567,646	1,576,433	0.56%
Debt Service	-	-	-	
Direct Cost Total	1,484,665	1,567,646	1,576,433	0.56%
Revenue by Fund				
Fund 164000 - Public Finance and Investment	1,799,221	1,788,507	1,787,605	<0.05%>
Revenue Total	1,799,221	1,788,507	1,787,605	<0.05%>

### Positions as Budgeted

	2012 Revised		2013 Revised		2014 Proposed		
	Full Time	Part Time		Full Time	Part Time	Full Time	Part Time
Accounting Officer	1	-		1	-	1	-
Finance Manager	-	-		1	-	1	-
Principal Accountant	1	-		1	-	1	-
Principal Admin Officer	2	-		-	-	-	-
Public Finance Manager	-	-		1	-	1	-
Positions as Budgeted Total	4	-		4	-	4	-

## Finance Division Detail

### **Public Finance & Investment**

(Fund Center # 131300)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	571,787	621,064	642,573	3.46%
Supplies	1,399	2,100	2,100	-
Travel	3,782	-	-	-
Contractual/Other Services	905,202	942,482	929,760	<1.35%>
Equipment, Furnishings	2,497	2,000	2,000	-
Manageable Direct Cost Total	1,484,665	1,567,646	1,576,433	0.56%
Debt Service	-	-	-	-
Direct Cost Total	1,484,665	1,567,646	1,576,433	0.56%
Intra-Governmental Charges				
Charges by Other Departments	93,077	94,828	94,059	<0.81%>
Program Generated Revenue				
406560 - Serv Fees-ASD	308,065	366,000	366,000	-
406620 - Rmb Cost-NonGrntFund	377,394	285,228	285,228	-
408380 - Prior Yr Exp Recov	75	-	-	-
408580 - Miscellaneous Revenues	1,054,533	1,080,000	1,080,000	-
440010 - GCP CshPool ST-Int	21,940	21,279	20,377	<4.24%>
440040 - Other Short Term Int	32,417	36,000	36,000	-
440080 - UnRIzd Gns&Lss Invs	4,798	-	-	-
Program Generated Revenue Total	1,799,221	1,788,507	1,787,605	<0.05%>
Net Cost				
Manageable Direct Cost	1,484,665	1,567,646	1,576,433	0.56%
Debt Service	-	-	-	-
Charges by Other Departments	93,077	94,828	94,059	<0.81%>
Program Generated Revenue	(1,799,221)	(1,788,507)	(1,787,605)	<0.05%>
Net Cost Total	(221,478)	(126,033)	(117,113)	<7.08%>

# Finance Division Summary

### Treasury

(Fund Center # 134100, 134200, 134279, 134600, 134671, 134179, 134679, 134779, 134700,...)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	2,663,359	2,706,507	2,918,850	7.85%
Supplies	18,288	18,900	18,900	-
Travel	3,125	5,000	5,000	-
Contractual/Other Services	157,548	1,677,090	1,664,790	<0.73%>
Equipment, Furnishings	16,417	6,100	6,100	-
Manageable Direct Cost Total	2,858,737	4,413,597	4,613,640	4.53%
Debt Service	38,543	38,544	-	
Direct Cost Total	2,897,280	4,452,141	4,613,640	3.63%
Revenue by Fund				
Fund 101000 - Areawide General	561,309	855,454	902,954	5.55%
Revenue Total	561,309	855,454	902,954	5.55%

### Positions as Budgeted

	2012 Revised			2013 Revised		2014 Proposed		roposed
	Full Time	Part Time		Full Time	Part Time		Full Time	Part Time
Accounting Clerk II	2	-	Ц	1	-		1	-
Accounting Clerk III	7	-		6	-		6	-
Administrative Officer	2	-		2	-		2	-
Collector	4	-	П	4	1		4	1
Junior Admin Officer	1	-	П	1	-		1	-
Municipal Treasurer	1	-	П	1	-		1	-
Principal Admin Officer	1	-	П	1	-		1	-
Remittance Processing Operator	2	-	П	2	-		2	-
Senior Admin Officer	2	1	П	3	-		3	-
Senior Staff Accountant	-	1	П	-	1		-	1
Tax Enforcement Assistant	2	-	П	2	-		3	-
Tax Enforcement Officer	2	-	П	2	-		2	-
Positions as Budgeted Total	26	2		25	2		26	2

# Finance Division Detail

### Treasury

(Fund Center # 134100, 134200, 134279, 134600, 134671, 134179, 134679, 134779, 134700,...)

	2012 Actuals	2013 Revised	2014 Proposed	14 v 13 % Chg
Direct Cost by Category				
Salaries and Benefits	2,663,359	2,706,507	2,918,850	7.85%
Supplies	18,288	18,900	18,900	-
Travel	3,125	5,000	5,000	-
Contractual/Other Services	157,548	1,677,090	1,664,790	<0.73%>
Equipment, Furnishings	16,417	6,100	6,100	-
Manageable Direct Cost Total	2,858,737	4,413,597	4,613,640	4.53%
Debt Service	38,543	38,544	-	-
Direct Cost Total	2,897,280	4,452,141	4,613,640	3.63%
Intra-Governmental Charges				
Charges by Other Departments	567,555	1,302,006	2,297,133	76.43%
Charges to Other Departments	(1,557,833)	(2,195,267)	(4,172,047)	90.05%
Program Generated Revenue				
401040 - Tax Cost Recoveries	589	100	100	-
404220 - Misc Permits	1,250	2,500	2,500	-
406600 - Late Fees	-	10,000	10,000	-
406620 - Rmb Cost-NonGrntFund	528,303	842,854	890,354	5.64%
408060 - Othr Collect Revs	8,596	-	-	-
408160 - Late Fees-SWS	20,670	-	-	-
408380 - Prior Yr Exp Recov	232	-	-	-
408550 - Cash Over & Short	312	-	-	-
408580 - Miscellaneous Revenues	1,357	-	-	-
Program Generated Revenue Total	561,309	855,454	902,954	5.55%
Net Cost				
Manageable Direct Cost	2,858,737	4,413,597	4,613,640	4.53%
Debt Service	38,543	38,544	-	-
Charges by Other Departments	567,555	1,302,006	2,297,133	76.43%
Charges to Other Departments	(1,557,833)	(2,195,267)	(4,172,047)	90.05%
Program Generated Revenue	(561,309)	(855,454)	(902,954)	5.55%
Net Cost Total	1,345,693	2,703,426	1,835,772	<32.09%>

Anchorage: Performance. Value. Results

### **Controller Division Finance Department**

Anchorage: Performance. Value. Results.

#### Mission

Provide timely and accurate financial information while ensuring compliance with debt covenants, Municipal Ordinances and grant reporting requirements.

#### **Core Services**

- Prepare Comprehensive Annual Financial Report
- Close monthly financial cycle
- Reconcile accounts on a monthly basis and maintain system of internal controls
- Process payroll
- Process payment to vendors

### **Accomplishment Goals**

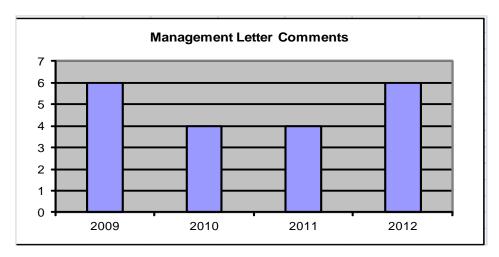
- Report fairly, without material misstatement, the financial results of the Municipality of Anchorage on an annual basis.
- Maintain a system of internal controls such that transactions are accurately recorded on a timely basis to reduce the risk of fraud and error.
- · Record transactions accurately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

### **Performance Measures**

Progress in achieving goals shall be measured by:

### Measure #1: Reduce number of external audit comments.

For Audit Yr:	2009	2010	2011	2012
# Management Letter Points in Annual Audit Management Letter	6	4	4	6

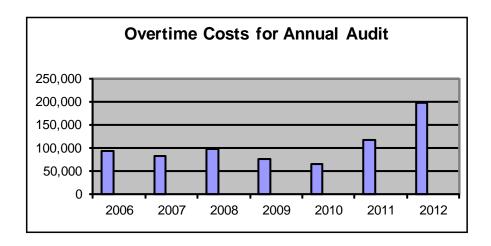


### Measure #2: Ensure audit comments from internal and external auditors are addressed within 90 days of receipt of comment.

2012 - All comments have been resolved for the year.

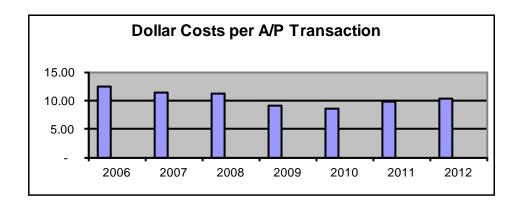
### Measure #3: Reduce overtime costs associated with annual audit.

	2006	2007	2008	2009	2010	2011	2012
Overtime Cost:	\$92,759	\$82,965	\$97,919	\$76,289	\$64,062	\$117,723	\$196,892



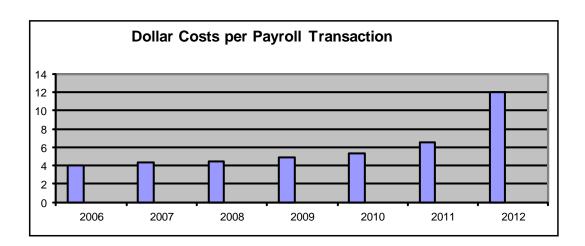
### Measure #4: Cost to produce vendor checks.

Accounts Payable Division	2006	2007	2008	2009	2010	2011	2012
\$ cost per transaction	\$12.46	\$11.32	\$11.16	\$9.14	\$8.58	\$9.81	\$10.31
# invoices processed for departments	30,405	32,201	34,828	37,446	35,681	32,976	33,734



### Measure #5: Cost to produce payroll checks.

Payroll Division	2005	2006	2007	2008	2009	2010	2011
Cost per payroll payment (annual, automated,	\$3.74	\$4.03	\$4.37	\$4.46	\$4.92	\$5.36	\$6.57
Number payrolls not met	0	0	0	0	0	0	0
Number payroll payments / year	78,646	79,311	81,456	84,285	83,040	75,912	73,824



### Property Appraisal Division Finance Department

Anchorage: Performance. Value. Results.

#### **Mission**

Provide a fair and equitable basis for taxation in the Municipality of Anchorage in conformance with State law and professional standards.

#### **Core Services**

- **Valuation** Annually assess all real and personal property in the Municipality of Anchorage.
- Appeal Response -Timely response to all appeals of property assessments.
- **Data Collection** Ensure that all real and personal property descriptions, ownership records and taxability status are accurate.
- **Public Education** Provide taxpayer and community education on issues related to assessment practices.

### **Accomplishment Goals**

- Timely Annual Assessment of all taxable property.
- Completion of annual assessment appeals.
- Improve Property Appraisal assessment functions to ensure accurate data collection for property records.
- Advance public education about assessment issues.

### **Performance Measures**

Progress in achieving goals shall be measured by:

<u>Measure #1:</u> Valuation - Meeting or exceeding State Assessor benchmark standards for valuation and inspection of property.

Sales Ratio (Assessed Value/ Sales Price – Benchmark Standard over 90%)

_							
	2007	2008	2009	2010	2011	2012	2013
	Actual						
	95.4%	94.1%	94.1%	94%	95.2%	95%	96%

### Measure #2: Number of properties inspected per year

	Total number of parcels in MOA	Required number of parcels to inspect	Total Inspected	Percentage of total required inspections completed
2007	94,474	15,755	8,550	54% of target
2008	95,650	15,883	9,866	62% of target
2009	95,878	15,968	16,277	102% of target
2010	95,903	15,983	18,909	118% of target
2011	96,073	16,012	18,909	116% of target
2012	96,271	16,045	17,344	108% of target
2013	96,555	16,093	5,441	34% of target (in progress- completion to be 12/31/13)

Measure #3: Appeal Response – Substantive completion of annual property assessment appeals process by June 1<sup>st</sup> of the tax year.

### Number of Appeals Completed by June 1st

Year	Appeals	Appeals Completed by June 1st	Percentage
	Filed		Complete
2008	825	821	99.51%
2009	1,058	1,040	98.00%
2010	716	710	99.16%
2011	627	625	99.68%
2012	551	551	100%
2013	416	416	100%

### Public Finance and Investments Division Finance Department

Anchorage: Performance. Value. Results.

### **Purpose**

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

#### **Direct Services**

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

Manage investment portfolios of the MOA with the objectives of:

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

Provide investment performance reporting for all investment portfolios.

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

### Accomplishment Goals

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

#### **Performance Measures**

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

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

Year	S&P	Fitch
2008	AA Stable	AA Stable
2009	AA Stable	AA Stable
2010	AA Stable	AA+ Stable
2011	AA Stable	AA+ Stable
2012	AA+ Stable	AA+ Stable
2013	AA+ Stable	AA+ Stable

<u>Measure #2:</u> Dollar amount of net present value savings achieved by refunding outstanding debt and cost effective, innovative and creative sources of financing.

### **REFUNDING**

Year	Description of Refunding	Par Amount	Nominal Savings	NPV Savings
2008	No Refunding			
2009	AWWU-Water	49,680,000	14,953.362	5,848,119
2010	GO-GP (refunding) C-1 GO-GP (restructuring) C-2	11,715,000 11,735,000 23,450,000	1,036,948 -2,225,256 -1,188,308	1,133,804 -579,537 554,267
2011	GO-School C	28,310,000	1,947,120	1,833,004
2012	GO-GP (refunding) B GO-Schools (refunding) D	30,215,000 24,080,000 54,295,000	1,934,725 1,504,758 3,439,483	2,526,664 1,502,047 4,028,711

### **FINANCING**

Financing Program	Savings
Master Lease Program 2008 - 2013	\$180,264
Port Commercial Paper Program 2008 - 2013	\$7,200,000
ML&P Commercial Paper Program 2012 - 2013	\$5,554,000
Port Direct Loan Agreement 2013	\$600,000
ASU Direct Loan Agreement 2013	\$1,659,876
AWU Direct Loan Agreement 2013	\$2,081,250
Tax Anticipation Note Issuances 2006 - 2013 *	\$10,589,000
2008 - 2013 Savings Achieved	\$27,864,390

<sup>\*</sup> Net profit achieved by keeping long-term funds invested in the Municipal Cash Pool.

### Measure #3: Monthly compliance report for investments that measures if the investments in the portfolio are in compliance with AMC and P&P 24-11.

Month	In full compliance?	Notes
1/2011	Yes	
2/2011	Yes	
3/2011	No <sup>1</sup>	CP was 1.91% above limit and government securities was 4.24% below limit. Both categories returned to compliance in early April.
4/2011	Yes	
5/2011	Yes	
6/2011	Yes	
7/2011	Yes	
8/2011	Yes	
9/2011	Yes	
10/2011	Yes	
11/2011	Yes	
12/2011	Yes	
1/2012	Yes	
2/2012	Yes	
3/2012	Yes	
4/2012	Yes	
5/2012	Yeş	
6/2012	No <sup>1</sup>	Government securities were 0.57% below target on 6/29. The portfolio regained compliance one day later.
7/2012	Yes	
8/2012	No <sup>1</sup>	US Bank's error caused the portfolio to be out of compliance.  The compliance was restored after the error was corrected.
9/2012	Yes	·
10/2012	Yes	
11/2012	Yes	
12/2012	Yes	
1/2013	Yes	
2/2013	Yes	
3/2013	Yes	
4/2013	Yes	
5/2013	Yes	
6/2013	Yes	

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

1 Month Return (%)

		Excess Return over
Portfolio	Benchmark	Benchmark
0.19	0.14	0.05
0.04	-0.02	0.06
-0.03	0.00	-0.03
0.45	0.45	0.00
0.37	0.40	-0.03
-0.06	-0.04	-0.02
0.32	0.38	-0.06
0.12		-0.21
-0.06		-0.02
		0.08
		-0.01
		0.03
		0.14
		0.11
		0.06
		-0.05
		0.01
		0.04
		0.05
		0.03
		0.05
		-0.01
		0.00
		-0.01
		0.02
		-0.02
		0.03
		-0.03
		-0.01
-0.37	-0.43	0.06
	0.19 0.04 -0.03 0.45 0.37 -0.06 0.32 0.12 -0.06 0.16 -0.05 0.22 0.49 0.05 -0.05 0.28 0.18 0.06 0.39 0.10 0.11 0.02 0.11 -0.02 -0.09 0.17 0.03 0.20 -0.43	0.19         0.14           0.04         -0.02           -0.03         0.00           0.45         0.45           0.37         0.40           -0.06         -0.04           0.32         0.38           0.12         0.33           -0.06         -0.04           0.16         0.08           -0.05         -0.04           0.22         0.19           0.49         0.35           0.05         -0.06           -0.05         -0.11           0.28         0.33           0.18         0.17           0.06         0.02           0.39         0.34           0.10         0.07           0.11         0.06           0.02         0.03           0.11         0.11           -0.09         -0.11           0.17         0.19           0.03         0.06           0.20         0.23           -0.43         -0.42

3 Month Return (%)						
		Excess Return over				
Month	Portfolio	Benchmark	Benchmark			
1/2011	-0.21	-0.28	0.07			
2/2011	0.00	-0.15	0.15			
3/2011	0.20	0.12	0.08			
4/2011	0.46	0.43	0.03			
5/2011	0.79	0.86	-0.07			
6/2011	0.76	0.82	-0.06			
7/2011	0.62	0.74	-0.12			
8/2011	0.37	0.67	-0.30			
9/2011	0.37	0.67	-0.30			
10/2011	0.21	0.38	-0.17			
11/2011	0.05	0.00	0.05			
12/2011	0.33	0.23	0.10			
1/2012	0.67	0.50	0.17			
2/2012	0.77	0.48	0.29			
3/2012	0.49	0.18	0.31			
4/2012	0.28	0.16	0.12			
5/2012	0.41	0.39	0.02			
6/2012	0.52	0.52	0.00			
7/2012	0.63	0.53	0.10			
8/2012	0.56	0.43	0.13			
9/2012	0.60	0.47	0.13			
10/2012	0.23	0.16	0.07			
11/2012	0.24	0.20	0.04			
12/2012	0.11	0.13	-0.02			
1/2013	0.01	-0.01	0.02			
2/2013	0.07	0.06	0.01			
3/2013	0.11	0.14	-0.03			
4/2013	0.40	0.48	-0.08			
5/2013	-0.20	-0.13	-0.07			
6/2013	-0.59	-0.62	0.03			

### Since Inception<sup>2</sup> Return (%)

			Excess Return over
Month	Portfolio	Benchmark	Benchmark
1/2011	3.07	2.86	0.21
2/2011	3.01	2.80	0.21
3/2011	2.93	2.73	0.20
4/2011	2.99	2.79	0.20
5/2011	3.02	2.84	0.18
6/2011	2.94	2.77	0.17
7/2011	2.96	2.81	0.15
8/2011	2.93	2.83	0.10
9/2011	2.86	2.77	0.09
10/2011	2.84	2.73	0.11
11/2011	2.77	2.67	0.10
12/2011	2.77	2.67	0.10
1/2012	2.83	2.69	0.14
2/2012	2.79	2.63	0.16
3/2012	2.73	2.56	0.17
4/2012	2.74	2.59	0.15
5/2012	2.73	2.58	0.15
6/2012	2.70	2.54	0.16
7/2012	2.73	2.57	0.16
8/2012	2.71	2.54	0.17
9/2012	2.69	2.51	0.18
10/2012	2.65	2.48	0.17
11/2012	2.63	2.46	0.17
12/2012	2.59	2.42	0.17
1/2013	2.53	2.36	0.17
2/2013	2.53	2.36	0.17
3/2013	2.49	2.34	0.16
4/2013	2.49	2.35	0.14
5/2013	2.39	2.24	0.15
6/2013	2.29	2.14	0.15

#### Notes:

- 1. The portfolio was in compliance with P&P 24-11 when the investments were originally purchased. With bond withdrawals and market value changes, the portfolio could shift out of compliance temporarily from time to time. The MOA reports portfolio compliance status at month end.
- 2. Inception date is June 1, 2007

### Treasury Division Finance Department

Anchorage: Performance. Value. Results.

### **Purpose**

Maximize realization of the Municipality's primary revenue sources.

#### **Direct Services**

- Bill and collect all types of taxes (property taxes and program taxes)
- Audit and analyze major City revenues and regularly report on realization status
- Audit, input and process all City cash receipts
- Efficiently and timely process utility and municipal tax payments
- Pursue all types of delinquent collections on behalf of City departments, most particularly the Anchorage Police Department
- Manage all major municipal receivables and administer various collection related contracts with external service providers
- Equitably enforce various Municipal Tax Code chapters and update periodically as needed
- Promote high level of internal controls, print and distribute all municipal checks and safeguard daily deposits and other similar nature assets through implementation and periodic updating of various Policies & Procedures and municipal wide training
- Act as fiduciary in managing MOA Trust Fund

#### **Accomplishment Goals**

- Enforce and increase collections of all valid taxes and delinquent fines and fees owed to the Municipality.
- Provide enhanced service to the general public and business community and increase growth in e-commerce (i.e., information sharing and monetary transactions) through increased public use of the Municipal website and other means.
- Promote and improve timely posting and analysis of municipal revenues.

### **Performance Measures**

Progress in achieving goals shall be measured by:

### <u>Measure #1:</u> Revenue generated directly by Treasury operations as a multiple of stated function cost.

**Treasury - Direct Revenues Generated vs. Cost** 

	millions of dollars		
	2012 Revenue		Calc. multiple
Treasury Function/Group	Generated	2012 Function Cost	(revenue-to-cost)
Prop. tax revenues *	\$488.20	\$0.66	827X
Program tax revenues	\$57.27	\$0.58	99X
Delinq. crim./civil fines & fees	\$4.30	\$0.55	8X
MOA Trust Fund contribution	\$4.80	\$0.24	20X
Total	\$554.57	\$1.96	283X

<sup>\*</sup> Includes PILT, penalty & interest, foreclosure costs and aircraft registration fees and a one-third allocation of remittance processing function cost.

NOTE: In addition to the date in the above table, Treasury's budget further invests \$0.62M to provide indirect support of over \$648M of general government generated revenues by performing high volume cash receipt audit/input, remittance processing for municipal utilities, management of departmental (and municipal utility) misc. accounts receivable and city-wide revenue analysis and reporting performed on a continual basis.

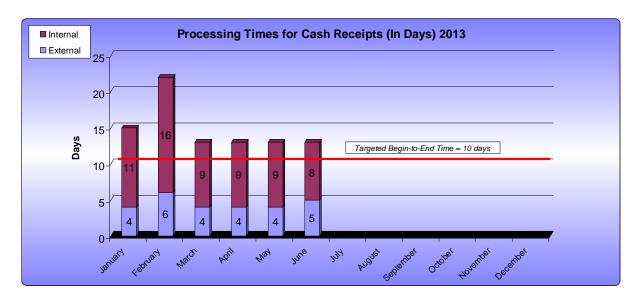
<u>Measure #2:</u> Tax website and e-commerce made available to public, local businesses and third party servicers. (e.g., property taxpayers, mortgage/title companies, lodging industry, etc)

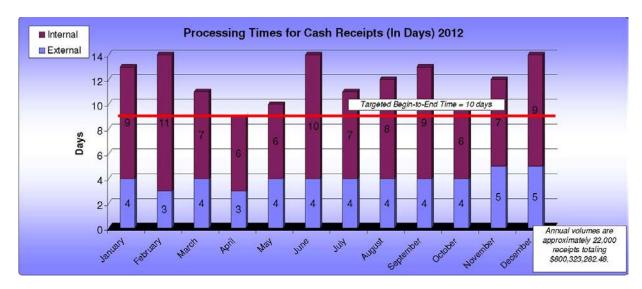
**Treasury Tax Performance Statistics** 

			, rax r orrormanco otaliono		
Measurement	2010	2011	2012	Comments	
Tax web site and e-commerce					
# of in-coming calls	6,335	6,219	6,046	Year-to-date, as of 12/31/12	
Average wait time	35	45	42	Reported in seconds	
# of web site hits	1,281,671	1,316,840	1,575,593	Includes Property Taxes and CAMA	
# of Credit card payment	2,242	2,301	2,534		
# of e-check payments	1,423	1,477	1,594		
Total # of e-payments	3,665	3,778	4,128		

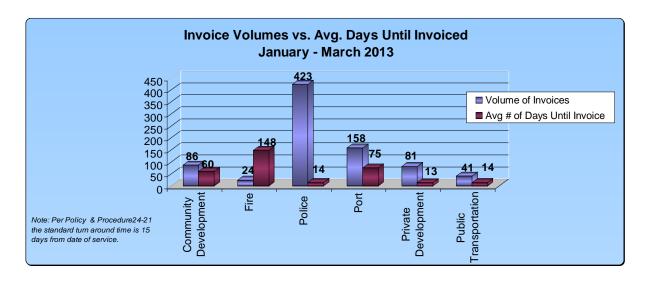
The full value of these statistics require presenting a complete annual cycle. Annual data will be compiled and by the end of the 1st quarter following each calendar year.

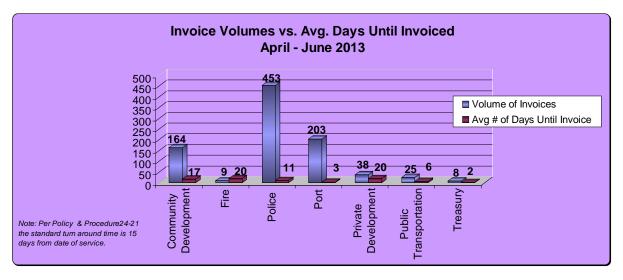
<u>Measure #3:</u> Cash receipt processing time, from initial transaction date to posting date.





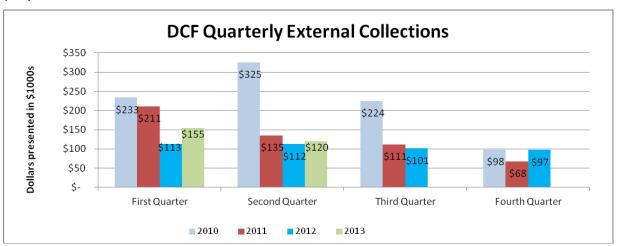
### <u>Measure #4:</u> Timeliness of billings through PeopleSoft accounts receivable billing system.



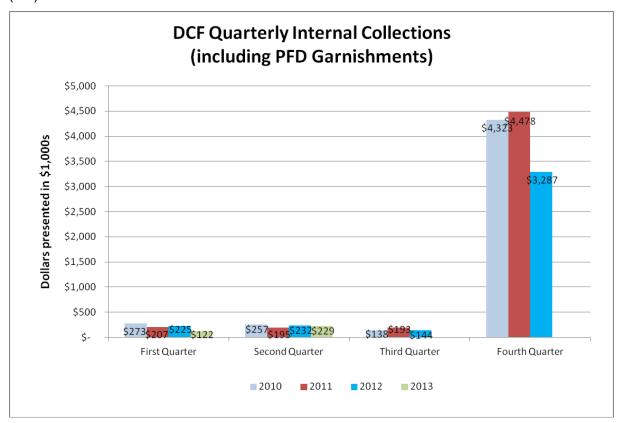


### <u>Measure #5:</u> Collections on delinquent criminal/civil fines and fees (DCF), reflecting both internal and external efforts.

(5a.)



(5b.)



(5c.)

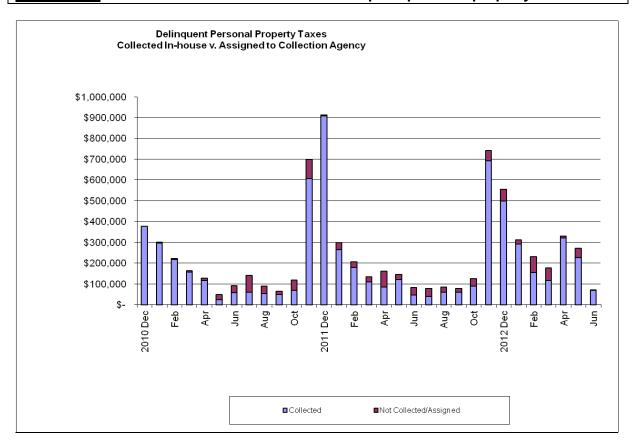
### **External Collection Agency Statistics**

MOA Debt Type	Avg. Annual Number of Cases Submitted for Collection	Avg. Annual Dollars Submitted for Collection		Cumulative Liquidation Rate Since Inception
Traffic Citations	14,000	\$	1,800,000	37%
Criminal Cases	7,000	\$	3,500,000	34%
Code Enforcement Cases	1,400	\$	550,000	9%

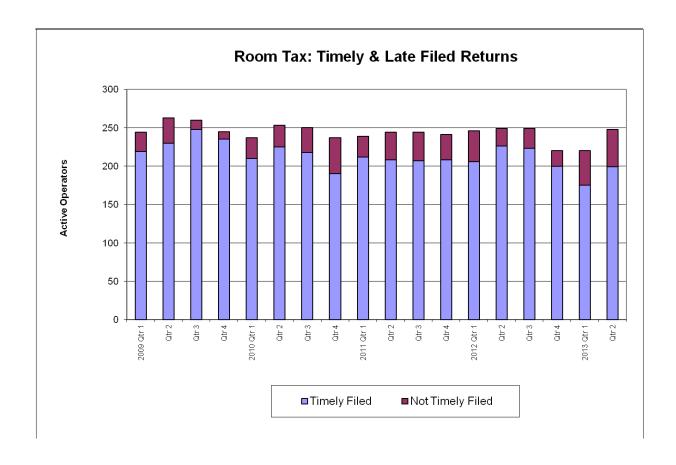
**NOTE**: Municipal Services Bureau (MSB) is currently the sole external collection agency for MOA DCF collections. This table displays the average amount of MOA debt submitted to MSB for collection on an annual basis, as well as MSB's liquidation rates since contract inception.

- o Traffic Citations include a fine, surcharge and collection costs.
- o Criminal Cases include a fine, surcharge, defense fees and cost of imprisonment.
- Code Enforcement Cases include a fine and late fee for violations of Anchorage Municipal Code. Examples include Minor Tobacco Fines, Curfew Violations and Zoning Violations.

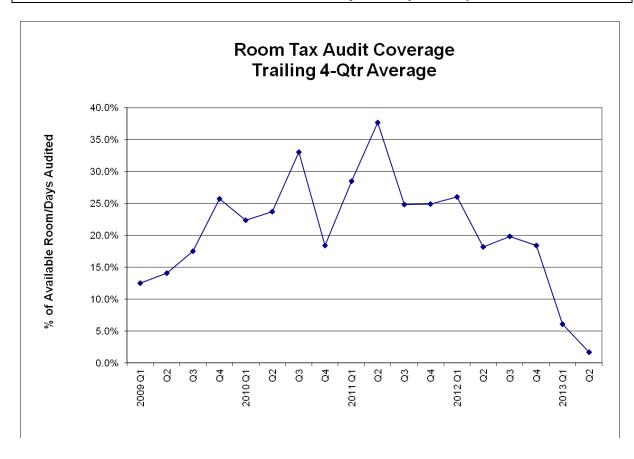
### Measure #6: Internal v. External caseload of delinquent personal property taxes.



### Measure #7: Number of timely v. late room tax filings.



<u>Measure #8:</u> Audit coverage related to room tax (i.e., auditor examined rooms versus total annual number of rooms offered for rent by local operators).



Measure #9: Percent of incomplete or incorrect tobacco tax filings discovered through desk audits.

