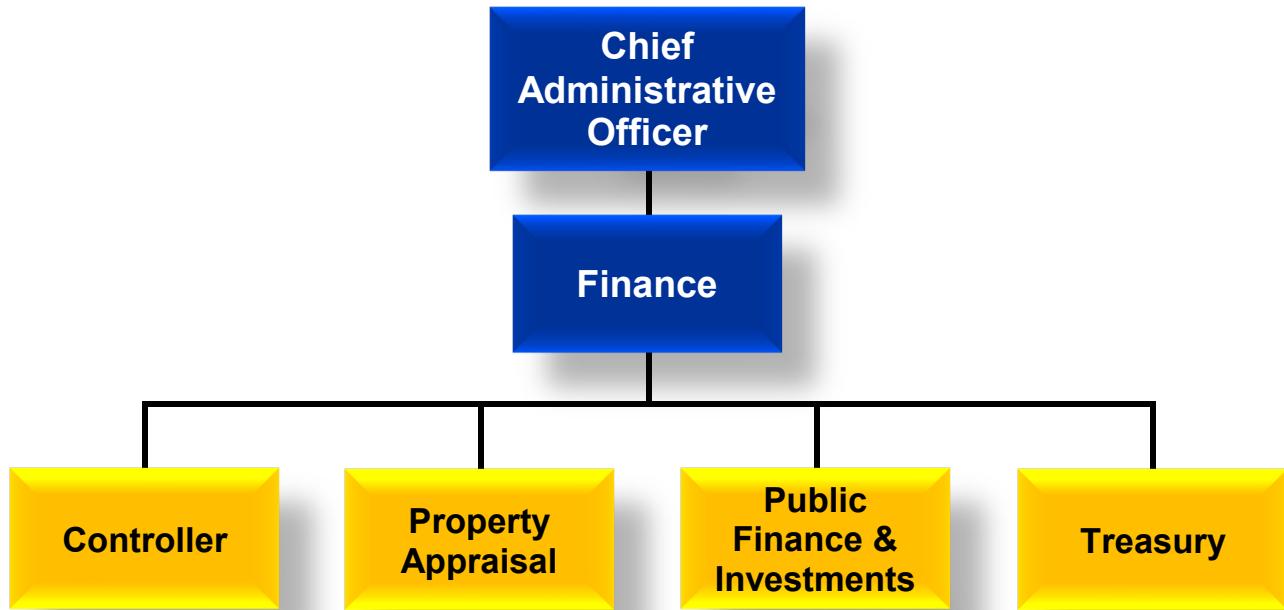


# Finance



## Finance

### Description

The Finance Department's mission is to support public services with prudent and proactive financial services, such as:

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

Finance (907)343-6610  
 632 W. 6th Ave. Suite 810 Anchorage, AK 99501  
<https://www.muni.org/Departments/finance>

### Department Services/Divisions

- The Chief Fiscal Officer (CFO) manages the financial affairs and Finance Department of the Municipality of Anchorage, including the keeping of itemized accounts of money received and disbursed and payment of money on vouchers drawn against appropriations, and supervise the tax assessment functions of the government to provide accurate and timely financial information for strategic planning, budget, management and decision support to the Mayor, elected officials and general public. The CFO is the custodian of all municipal funds, checks, vouchers, and other documents relating to the municipal expenditures and includes debt administration and investment of municipal funds. The CFO also advises the mayor and the assembly on fiscal policy.
  - Maintain current level of service with the increasing demands placed upon the department
  - CFO manages the following:
    - Controller Division
    - Property Appraisal Division
    - Public Finance & Investments Division
    - Treasury Division
    - 49<sup>th</sup> State Angel Fund
  - Development of six-year fiscal plan which focuses on key issues related to present and future public services, fiscal policies, and capital improvement and also presents options of addressing future fiscal requirements.
  - Oversees the 49<sup>th</sup> State Angel Fund (49SAF) Program. Founded in 2012, the 49SAF was established when the Municipality of Anchorage received a \$13.2 million venture capital allocation from United States Treasury's State Small Business Credit Initiative (SSBCI). Returns from these investments are placed into the Anchorage Angel Evergreen Fund ("Evergreen Fund") which the CFO is responsible for, as outlined by Municipal Code 6.50.070.
- Controller Division is responsible for all municipal accounting functions. This includes fund accounting, grant accounting, capital project accounting, reconciliations, accounts

payable, fixed assets, and the compilation of the Annual Comprehensive Financial Report (ACFR).

- Property Appraisal Division provides fair and equitable valuation of all taxable real and personal property within the Municipality of Anchorage. The Division also administers all property tax exemptions and provides administrative support for the Board of Equalization.
- Public Finance and Investments Division is responsible for issuing and managing municipal bonds, investments, and cash.
- Treasury Division is responsible for billing, collecting, and auditing major municipal revenue sources. Additional Treasury Division responsibilities also include cash receipt processing, remittance processing services, and the MOA Trust Fund.

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



**Good Government – Ensuring ethical and accountable government, balancing the budget, and delivering quality, effective government services.**

##### 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.
- Record transactions accurately and timely.
- Pay vendors accurately and timely.

##### Finance Department - Property Appraisal Division

- 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 and market assessments.
- Advance public education about assessment issues.

##### Finance Department - Treasury Division

- Enforce and increase collections of all valid taxes and delinquent fines and fees owed to the Municipality.
- Promote and improve timely posting and analysis of municipal revenues.



**Building Our Future – Laying the foundation for a more prosperous future through housing solutions, economic development and investments in childcare, public infrastructure and quality of life.**

##### Finance Department - Public Finance and Investments Division

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

**Finance Department - Treasury Division**

- 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.

## Finance

### Department Summary

	2024 Actuals Unaudited	2025 Revised	2026 Approved	26 v 25 % Chg
<b>Direct Cost by Division</b>				
FIN Administration	792,123	666,443	671,375	0.74%
FIN Controller	2,606,208	2,721,716	2,752,903	1.15%
FIN Property Appraisal	6,003,679	7,038,183	7,152,917	1.63%
FIN Public Finance & Investments	2,315,806	2,300,079	2,303,428	0.15%
FIN Treasury	3,286,914	3,679,843	3,608,188	(1.95%)
<b>Direct Cost Total</b>	<b>15,004,730</b>	<b>16,406,264</b>	<b>16,488,811</b>	<b>0.50%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(2,396,734)	(3,159,527)	(3,411,927)	7.99%
<b>Function Cost Total</b>	<b>12,607,996</b>	<b>13,246,737</b>	<b>13,076,884</b>	<b>(1.28%)</b>
Program Generated Revenue	(3,084,800)	(3,436,933)	(3,059,533)	(10.98%)
<b>Net Cost Total</b>	<b>9,523,196</b>	<b>9,809,804</b>	<b>10,017,351</b>	<b>2.12%</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	11,945,182	12,810,005	13,009,761	1.56%
Supplies	46,508	61,094	61,094	-
Travel	4,317	5,000	5,000	-
Contractual/OtherServices	1,905,907	2,358,898	2,245,493	(4.81%)
Debt Service	1,038,588	1,145,267	1,145,267	-
Equipment, Furnishings	64,229	26,000	22,196	(14.63%)
<b>Direct Cost Total</b>	<b>15,004,730</b>	<b>16,406,264</b>	<b>16,488,811</b>	<b>0.50%</b>
<b>Position Summary as Budgeted</b>				
Full-Time	91	92	92	-
Part-Time	-	-	-	-
<b>Position Total</b>	<b>91</b>	<b>92</b>	<b>92</b>	<b>-</b>

**Finance**  
**Reconciliation from 2025 Revised Budget to 2026 Approved Budget**

	Positions			
	Direct Costs	FT	PT	Seas/T
<b>2025 Revised Budget</b>	16,406,264	92	-	-
<b>2025 One-Time Adjustments</b>				
- Reverse 2025 1Q - ONE-TIME - completion of Harris Govern Rental Tax Vehicle Module	(146,929)	-	-	-
<b>Changes in Existing Programs/Funding for 2026</b>				
- Salaries and benefits adjustments	199,756	-	-	-
- Fleet	29,720	-	-	-
	<b>2026 Continuation Level</b>	<b>16,488,811</b>	<b>92</b>	<b>-</b>
<b>2026 Proposed Budget Changes</b>				
- None				
	<b>2026 Approved Budget</b>	<b>16,488,811</b>	<b>92</b>	<b>-</b>

**Finance**  
**Operating Grant and Alternative Funded Programs**

Program	Fund Center	Award Amount	Expected	Expected Expenditures in 2025	Expected Balance at End of 2025	Personnel			Program Expiration
			Expenditures Thru 12/31/2024			FT	PT	T	
<b>49th State Angel Fund - SSBCI</b> Federal - US Treasury SSBCI: State Small Business Credit Initiative 2012 funding from US Treasury which the Municipality applied for and was allocated to invest in venture capital.	137100	13,227,911	12,071,038	1,156,873	-	-	-	-	N/A
<b>49th State Angel Fund - Evergreen Fund</b> Per Municipal Code 6.50.070, the Evergreen Fund is composed of returns on investments made from the Federal SSBCI funds. Funding to be used for administrative expenses and ongoing investments.	137100	2,692,105	1,354,703	357,419	979,983	2	-	-	N/A
<b>Total Grant and Alternative Operating Funding for Department</b>			<b>15,920,016</b>	<b>13,425,741</b>	<b>1,514,292</b>	<b>979,983</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>Total General Government Operating Direct Cost for Department</b>				<b>16,488,811</b>		<b>92</b>	<b>-</b>	<b>-</b>	
<b>Total Operating Budget for Department</b>				<b>18,003,103</b>		<b>94</b>	<b>-</b>	<b>-</b>	

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## Controller Division Finance Department

*Anchorage: Performance. Value. Results.*

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### **Mission**

The Controller Division serves as a steward of taxpayer resources. We are entrusted with guiding and supporting departments across the Municipality in all matters of accounting and grant reporting—ensuring strong internal controls are in place to safeguard the Municipality's financial integrity.

**The Controller Division** is responsible for managing all municipal accounting functions. Key responsibilities include:

- Approving Fund Certifications for Assembly review and approval
- Reviewing and approving Municipality-wide journal entry workflows across all funds
- Managing, monitoring, and reporting on grant funds to ensure compliance
- Overseeing Capital Projects, Construction Work in Progress (CWIP), and Fixed Asset accounting
- Performing fund reconciliations, including twelve municipal bank and credit card accounts
- Administering Municipality-wide Accounts Payable, including travel reimbursements
- Preparing the Annual Comprehensive Financial Report (ACFR), including reports for MOA's Component Units and the Single Audit

### **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 vendors accurately and timely.

### **Performance Measures**

Progress in achieving goals shall be measured by:

<b><u>Measure #1: Maintain the number of external audit findings at or near zero.</u></b>						
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For Audit Year:	2018	2019	2020	2021	2022	2023*
# Audit Findings for Annual External Audit	1	0	1	3	15	8

\*Not Final Single Audit Remains

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

2019 – No Internal Audit findings

2020 – External Audit concluded, one finding addressed by Management within 90 days

2021 – Corrective action plans have been created

2022 – External Audit concluded, 15 of control deficiencies (10 of material weaknesses and 5 of significant deficiencies) have been identified

2023 – ACFR Findings concluded, 8

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

Year:	2021	2022	2023	2024	1Q 2025	2Q 2025
Total Division Overtime Cost:	\$96,670	\$105,443	\$212,075	\$203,898	\$39,527	\$29,404

Note: 2023 – 2024 overtime includes Cost Centers 132100, 132200, 132400, and costs for vacant position support.

2025 1Q totals include OT broken down as follows:

\$ 2,346.91 for OT costs for vacant position support;

\$ 23,023.07 for OT costs for Grant Reporting;

\$ 690.06 OT costs for audit;

\$ 8,464.17 for Accounts Payable costs.

2025 2Q totals include OT broken down as follows:

\$ 3,103.98 for OT costs for vacant position support;

\$ 21,245 for OT costs for Grant Reporting;

\$ 2,725.25 OT costs for audit;

\$ 2,329.48 for Accounts Payable costs.

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

Accounts Payable Division	2021	2022	2023	2024	1Q 2025	2Q 2025
\$ cost per transaction	\$13.17	\$14.72	\$11.90	\$12.12	\$15.40	\$12.86
# invoices processed for departments	28,720	27,609	26,835	28,277	6,890	7,375

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## **Property Appraisal Division Finance Department**

*Anchorage: Performance Value Results*

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### **Mission**

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

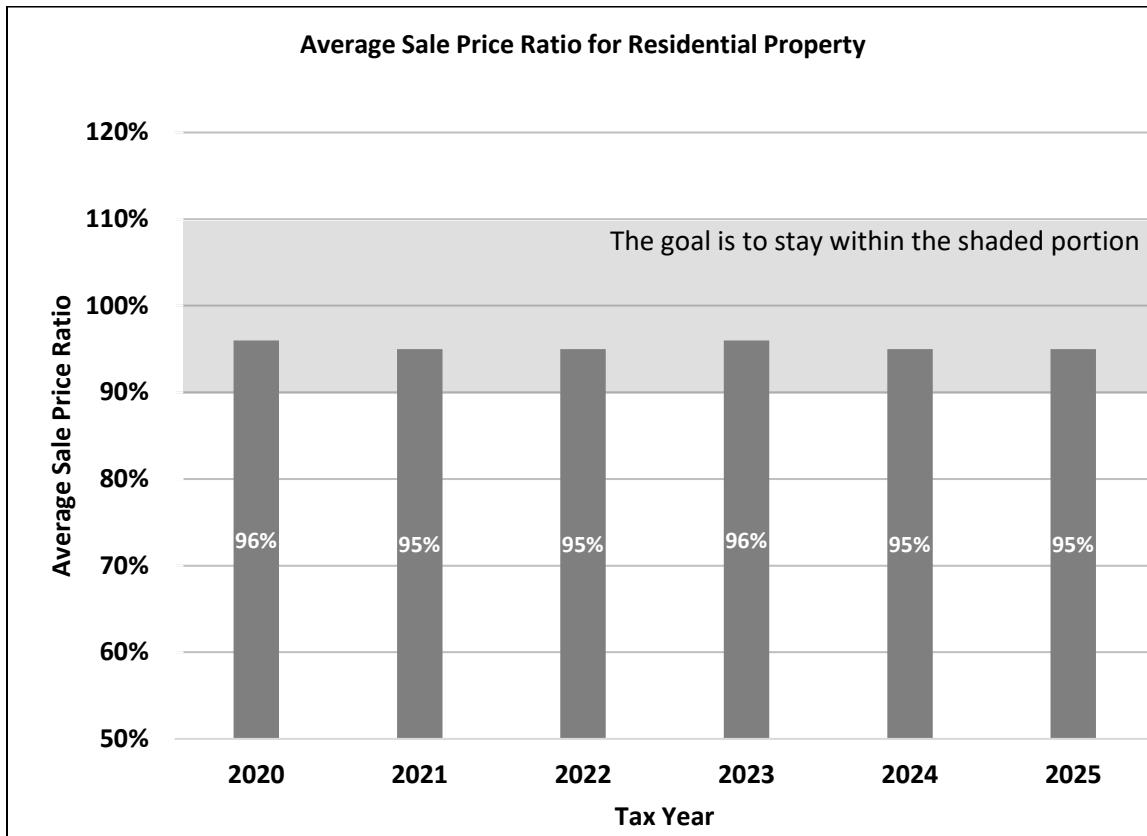
### **Core Services**

- Valuation - Annually assess all real and personal property in the Municipality of Anchorage.
- Appeal Response - Timely process all property assessment appeals.
- Data Collection - Ensure that all real and personal property descriptions, ownership records and taxability status are accurate.
- Exemption Administration – Administer Property Tax exemption programs.

### **Accomplishment Goals**

- Accurately and uniformly assess Real Property
- Maintain accurate property characteristics
- Completion of annual assessment appeals
- Annually review exemptions

**Measure #1: Ensure Property Assessed at Market Value.**

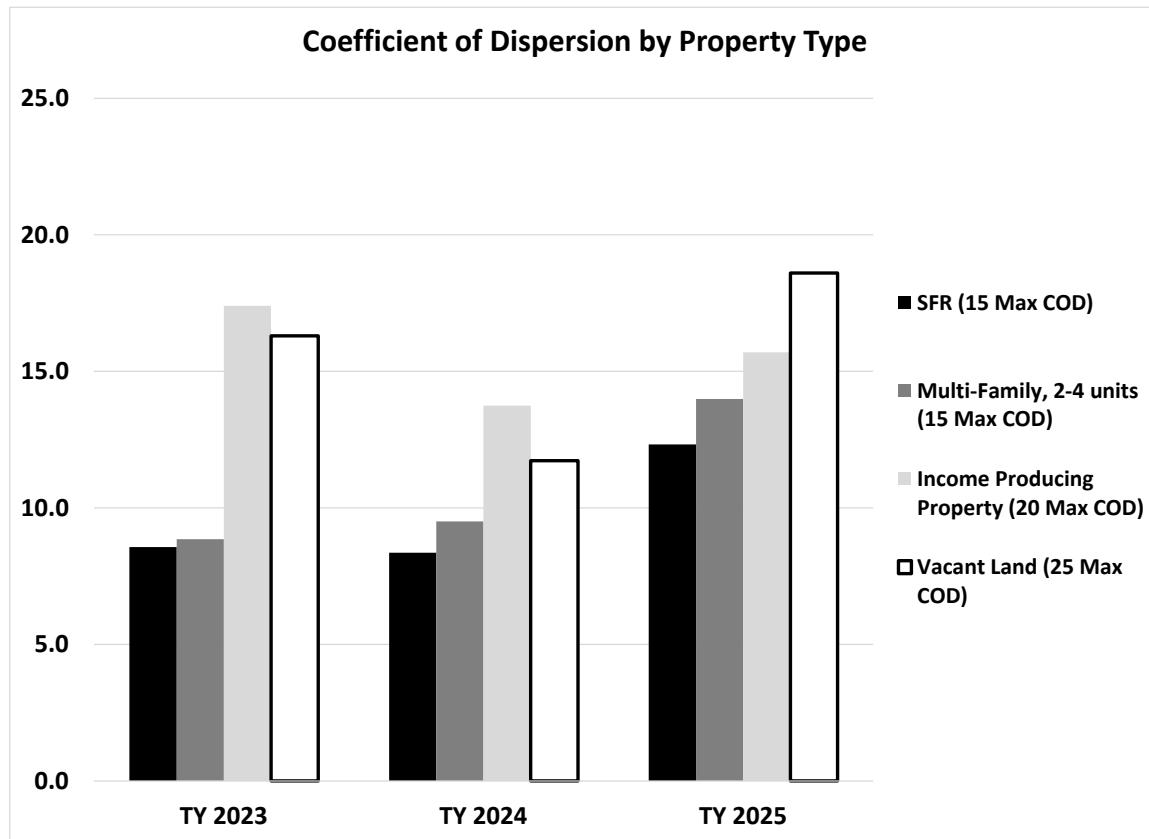


**Explanatory note:**

Under state statute and municipal code, the assessor is mandated to assess property at its market value. To help achieve and evaluate this mandate, the assessor uses sales that were disclosed to the Municipality. Alaska operates as a non-disclosure state, meaning that the buyers and sellers are not required to report the sale price; hence, the assessor is not privy to all sales that have occurred in the Municipality.

The chart above illustrates the average sale price ratio (ASPR) by tax year. The ASPR is computed by dividing a property's assessed value by its recent sale price, only considering those disclosed to the Municipality. For instance, an ASPR of 90% would signify that the property was assessed at \$0.90 when it sold for \$1.00. It's noteworthy that the International Association of Assessing Officers (IAAO) recommends this ratio to fall within the range of 90% and 110%.

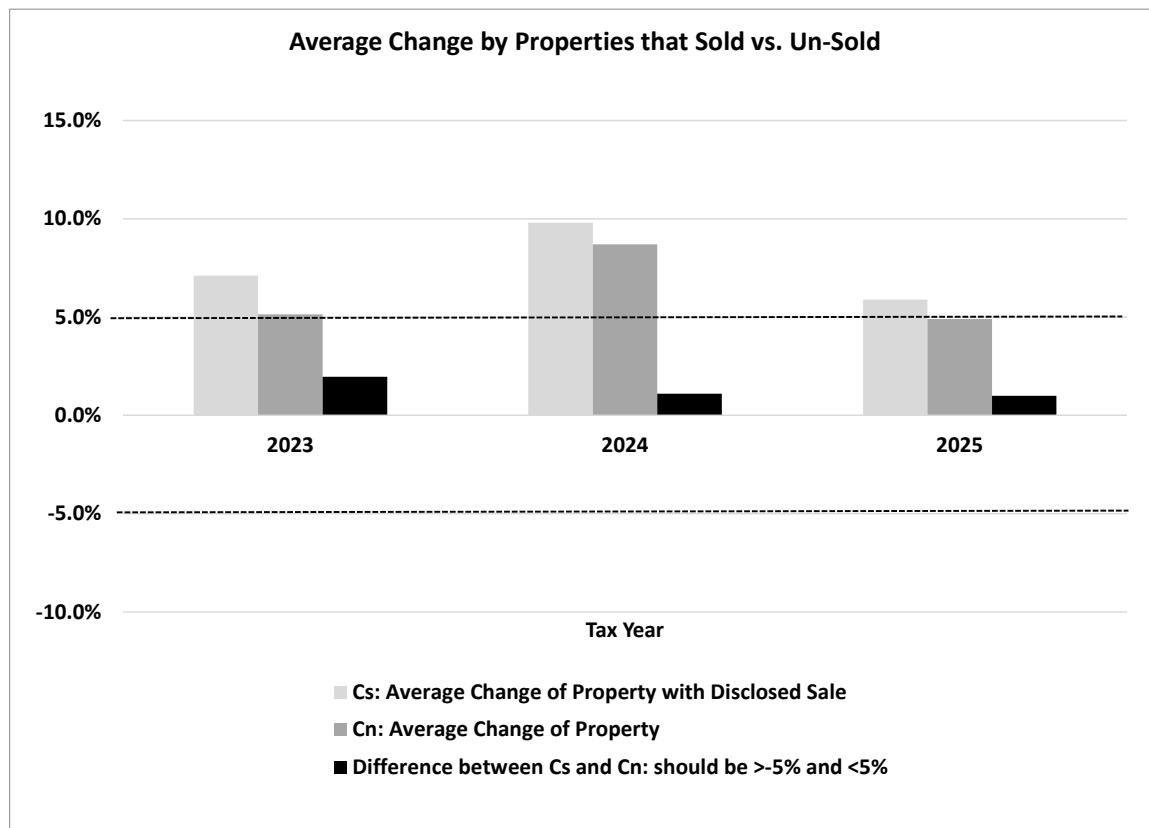
**Measure #2: Real Property Uniformly Assessed.**



**Explanatory Note:**

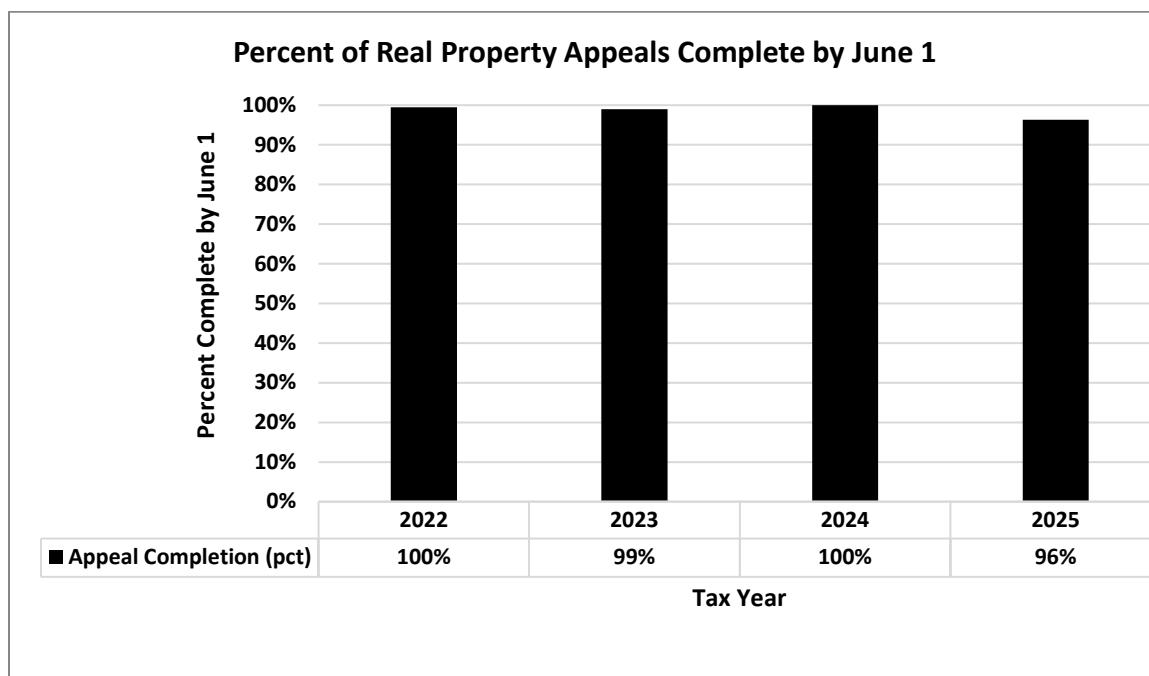
COD stands for "coefficient of dispersion" and measures how much the actual sale prices of homes are different from what we expect them to be. A lower COD means the prices are closer together, which is fair and accurate. A high COD can suggest problems like being unfair or not accurate. Experts recommend that the COD be below 15 for single-family homes, below 20 for income-producing properties like apartments or shops, and below 25 for vacant land.

### **Measure #3: Accuracy of Property Characteristics**



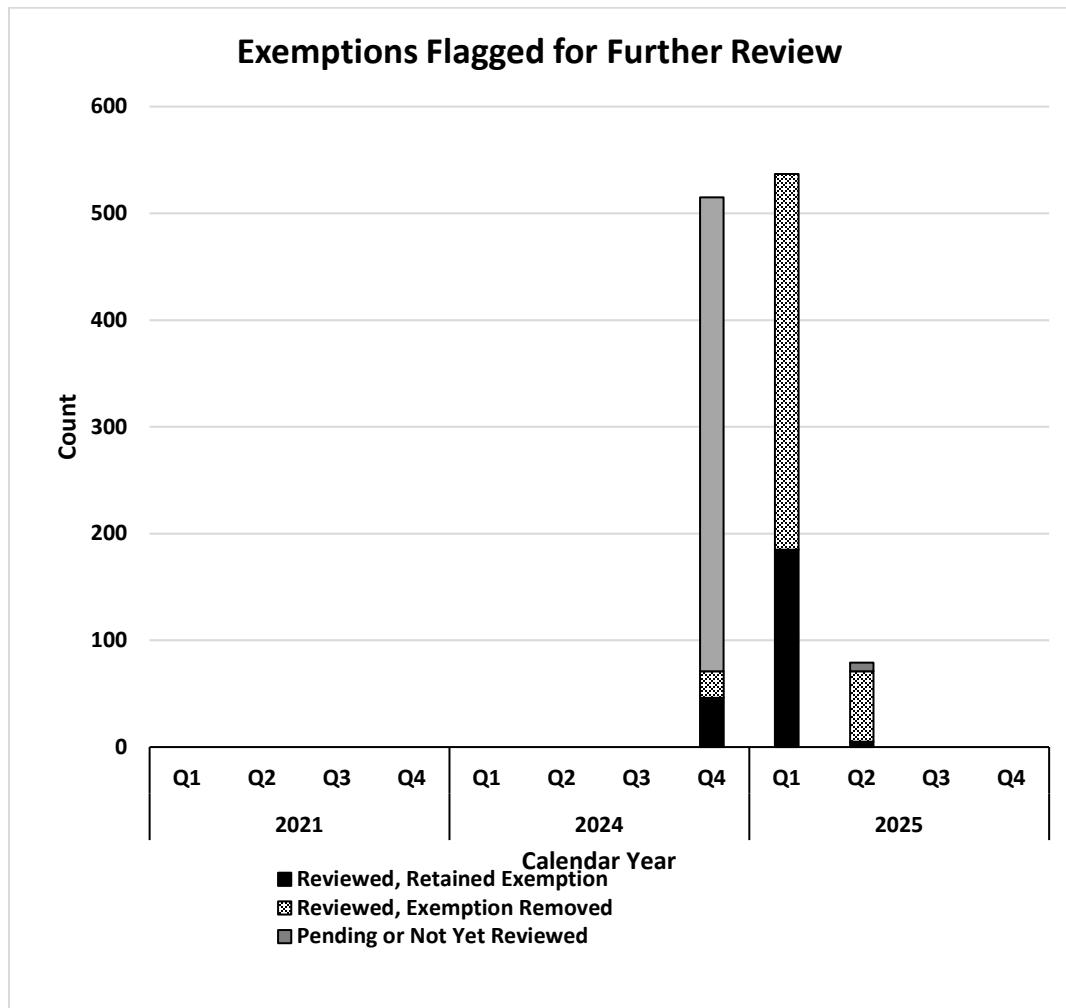
#### **Explanatory Note:**

One way to measure the accuracy of property characteristics is to compare the average change of property in the Municipality (property without a disclosed sale) to the average change of property with a sale price recently disclosed to the Municipality. In the chart above, the first column,  $C_s$ , shows the average change in the assessed value from the prior year on sales that were recently disclosed to the Municipality. The second column,  $C_n$ , shows the average change of residential property. The third column shows the difference between the two. There should be little to no difference. A big difference might mean there's inaccurate property info, as appraisers may have to correct the property's profile on a recently disclosed sale, causing the property to change value differently from the bulk of the real estate. According to IAAO standards, the difference should be within plus or minus 5%.

**Measure #4: Timely Completion of Assessment Appeals**

Property Appraisal's goal is to be substantively complete with appeals of real property by June 1<sup>st</sup> of the tax year. It is expected that appeals will be partially completed in Q1.

**Measure #5: Ensure Property Tax Exemptions Meet Qualifications**



Under the municipal code, the assessor is responsible for reviewing properties that are exempt from taxation each year. This ensures that these properties still qualify for their exemption. Property Appraisal systematically reviews all residential, senior, and disabled veteran exemptions by cross-referencing ownership records and Permanent Fund Dividend data.

The chart above shows the status of exemptions flagged for manual review as of February 1st of the tax year. Exemptions may be flagged for review for several reasons, including:

- Differences between mailing and physical addresses
- Properties listed for rent
- Missing or insufficient documentation
- Information provided by concerned citizens

Our goal is to resolve all flagged exemptions before tax bills are sent out for the current year. Typically, bills are sent out on June 1, as such, our goal is to have little to no pending exemptions in Q1 of the calendar year.

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## Property Appraisal Division

### Finance Department

*Performance Measure Methodology Sheet*

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**Measure #1: Ensure Property Assessed at Market Value.**

**Type:** Effectiveness

**Accomplishment Goal Supported:** Comply with state statute and municipal code

**Definition:** This measure reports the average sale price ratio of sales that were disclosed to the Municipality.

**Data Collection Method:** Two main variables were collected to derive the sale price ratio: assessed value and sale prices disclosed to the Municipality. Property Appraisal estimates the assessed value for all real property in the Municipality every tax year, which is stored in the computer-assisted mass appraisal system. Additionally, Property Appraisal tracks and evaluates sales to assist with setting values. Alaska operates as a non-disclosure state, meaning that the buyers and sellers are not required to report the sale price; hence, the assessor is not privy to all sales in the Municipality. Instead, Property Appraisal captures sales through three main methods. The first method involves sending letters to all buyers and sellers asking for them to disclose the sale price. Second, Property Appraisal reviews sales disclosed online. Finally, Property Appraisal receives taxpayer sales information, largely received during the appeal process.

**Frequency:** Annual

**Measured By:** The sale price ratio (SPR) is computed by dividing a property's assessed value by the disclosed sale price. The formula is as follows:

$$SPR = \frac{\text{Current Assessed Value}}{\text{Disclosed Sale Price}}$$

For instance, a sale price ratio of 90% would signify that the property was assessed at \$90,000 when it sold for \$100,000. Property Appraisal may time-adjust the disclosed sale price for market conditions if warranted. For example, if the property sold for \$300,000 one year ago and there is evidence that the market has appreciated 2% since then, Property Appraisal would time-adjust the sale price to \$306,000. Property Appraisal will then take the average of all the valid sale price ratios to derive the average sale price ratio. The formula is as follows:

$$\overline{SPR} = \frac{\sum SPR_i}{n}$$

*Where:*

$$SPR_i = \text{sale price ratio}$$

$$n = \text{count of valid sales disclosed to the Municipality}$$

**Reporting:** This information is reported to the State Assessor annually or as needed.

**Used By:** This information is closely used by Property Appraisal and the State Assessor to gauge the assessment level and is the basis for analyzing equity and uniformity. The

State Assessor may also use this information to determine the full value of the Municipality, which is part of the education state funding process.

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## Property Appraisal Division

### Finance Department

#### *Performance Measure Methodology Sheet*

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#### **Measure #2: Real Property Uniformly Assessed.**

**Type:** Effectiveness

**Accomplishment Goal Supported:** Ensure that Property Appraisal has accurate and equitable assessments that are in alignment with IAAO standards.

**Definition:** This measure reports the coefficient of dispersion (COD) of the sales price ratio on sales that were disclosed to the Municipality.

**Data Collection Method:** Two main variables were collected to derive the chart: the average change of the assessed value of residential property and the average change of the assessed value of property with a recently disclosed sale to the Municipality. The data collection method is discussed in Measure #1 for the assessed value and recent sales.

**Frequency:** Annual

**Measured By:** The formula for the COD is as follows:

$$COD = \frac{AAD}{\widetilde{SPR}} * 100$$

Where:

*AAD = Average Absolute Deviation.* The AAD is first computed by finding the absolute difference between each sale price ratio (SPR) from the median SPR. Then the absolute differences are summed. The final step is to divide the summed absolute differences by the total sale count, n. The formula is as below:

$$AAD = \frac{\sum_{SPR=1}^n |SPR_i - \widetilde{SPR}|}{n}$$

*$\widetilde{SPR}$  = median sale price ratio*

**Reporting:** This information is reported to the State Assessor annually or as needed.

**Used By:** While the average and median sale price ratio can help Property Appraisal determine how assessed values compare to the market, it doesn't help with understanding the underlying uniformity of the data. The COD is the most used measure of uniformity in the assessment profession, and it is based on the average absolute deviation but expresses it as a percentage. Property Appraisal and the State Assessor use the COD to gauge how uniform the assessments are. Generally speaking, the lower the COD, the more uniform—and equitable—the assessed values are, and one of Property Appraisal's goals is to assess property equitably. Moreover, the IAAO has published standards on the max COD, which vary by property type. Property Appraisal closely compares their COD to IAAO's standards on COD with the goal to be at or below the IAAO's recommended max COD.

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## Property Appraisal Division

### Finance Department

#### *Performance Measure Methodology Sheet*

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#### **Measure #3: Accuracy of Property Characteristics**

**Type:** Effectiveness

**Accomplishment Goal Supported:** Maximize the accuracy of property characteristics in the Municipality.

**Definition:** This measure compares the average change of property to the average change of property with a recent sale price disclosed to the Municipality.

**Data Collection Method:** Two main variables were collected to derive the chart: the average change of the assessed value of residential property and sale prices disclosed to the Municipality. The data collection method for sales and assessed values is discussed in Measure #1.

**Frequency:** Annual

**Measured By:** The formula for the average change of assessed value for property with a recently disclosed sale to the Municipality is:

$$\overline{C_s} = \frac{\sum_{AV=1}^n AV_t}{\sum_{AV=1}^n AV_{t-1}}$$

*Where:*

$\overline{C_s}$  = Average Change of Assessed Value with recent disclosed sale

$AV_t$  = Current Year's Assessed Value

$AV_{t-1}$  = Last Year's Assessed Value

$n$  = count of population with a recent sale disclosed to the Municipality

Similarly, the formula for the average change of assessed value with no recent sale disclosed to the Municipality is:

$$\overline{C_n} = \frac{\sum_{AV=1}^n AV_t}{\sum_{AV=1}^n AV_{t-1}}$$

*Where:*

$\overline{C_n}$  = Average Change of Assessed Value with **no** recently disclosed sale

$AV_t$  = Current Year's Assessed Value

$AV_{t-1}$  = Last Year's Assessed Value

$n$  = count of population with no recent sale disclosed to the Municipality

In short, the formulas above sum up the current year's assessed value and divide it by the sum of last year's total assessed value to get the average change. The difference between  $C_s$  and  $C_n$  is then taken, which is portrayed as the black bar in the chart.

**Reporting:** This information is reviewed by Property Appraisal.

**Used By:** Property Appraisal uses this information to help evaluate the quality and accuracy of the property characteristics, such as the quality of construction, total living area, etc. Additionally, adhering to the standards set by the International Association of Assessing Officers (IAAO) is a key objective for Property Appraisal. The IAAO recommends that the difference between  $C_s$  and  $C_n$  should ideally fall within plus or minus 5%. Significant disparities may suggest inaccuracies within the property data.

When Property Appraisal receives a sale price for a property, the appraiser meticulously reviews the property's existing profile and the provided sale information. For instance, if the property profile indicates 2.0 bathrooms but the sale listing or fee appraisal states 1.5 bathrooms, the appraiser adjusts the bathroom count accordingly for the current tax year. Consequently, this adjustment may lead to a reduction in the property's assessed value. If sales require substantial updating on their profile, the difference between  $C_s$  and  $C_n$  should increase; consequently, Property Appraisal should look to future data improvement efforts.

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## Property Appraisal Division

## Finance Department

### *Performance Measure Methodology Sheet*

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#### **Measure #4: Timely Completion of Assessment Appeals**

**Type:** Effectiveness

**Accomplishment Goal Supported:** Comply with state statute

**Definition:** This measure reports how many appeals were completed by June 1 of the tax year.

**Data Collection Method:** Appeals are logged and tracked in the computer-assisted mass appraisal (CAMA) system throughout the appeals process. The appeals are updated with pertinent information, such as the assigned appraiser, the hearing date, and whether the appeal is closed or still open.

**Frequency:** Annual

**Measured By:** the percent of appeals completed by June 1 is measured by the count of appeals closed on or before June of the year divided by the total appeals for the tax year.

**Reporting:** This information is reported annually or as needed.

**Used By:** This information is used by Property Appraisal as a goal in compliance with the state statute. AS 29.45.210 requires the assessor to certify the assessment roll by June 1. Appeals must be substantially complete in order to produce a final assessment roll.

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## Property Appraisal Division

## Finance Department

### *Performance Measure Methodology Sheet*

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#### **Measure #5: Ensure Property Tax Exemptions Meet Qualifications**

**Type:** Effectiveness

**Accomplishment Goal Supported:** Comply with municipal code

**Definition:** This measure reports the number of exemptions flagged for manual review in the current tax year by status: reviewed and retained exemption, reviewed and removed exemption, and currently under review.

**Data Collection Method:** Exemptions can be flagged as a result of the systematic review of exemptions, a call from a concerned taxpayer, a review of the existing file, or more. Exemptions that are flagged for manual review are entered into the computer-assisted mass appraisal (CAMA) system, where they can be tracked and monitored.

**Frequency:** Annual

**Measured By:** Each exemption marked for further review is tracked in the CAMA system, and staff updates pertinent information such as the review's outcome, whether the review is still pending, etc.

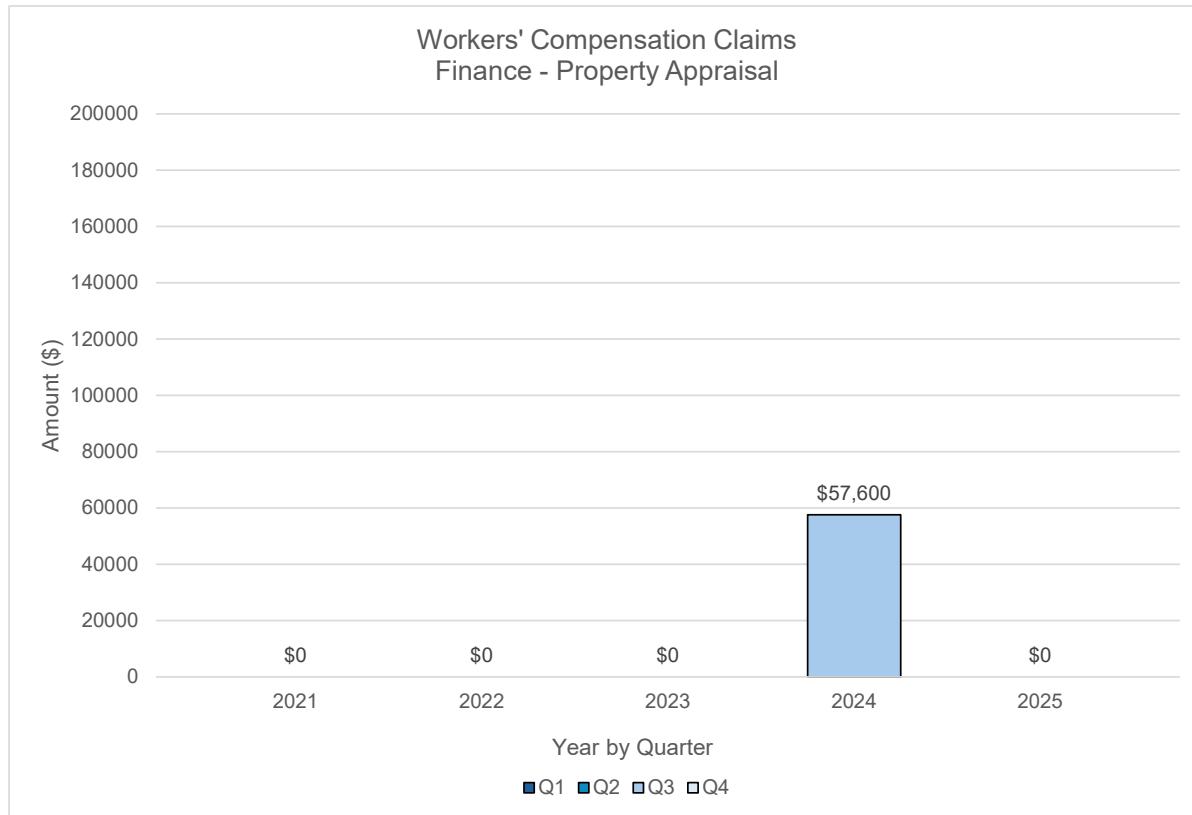
**Reporting:** This information is reported annually or as needed.

**Used By:** This information is used by Property Appraisal as a goal in compliance with the municipal code 12.05.045 B., which requires the assessor to annually review property exempt from taxation to determine whether such properties continue to qualify for an exemption. The goal is to have all flagged exemptions for further review completed prior to billing.

**Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices, we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.



## Public Finance & Investments Division Finance Department

*Anchorage: Performance. Value. Results.*

### **Purpose**

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

### **Direct Services**

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

Manage investment portfolios of the MOA with the objectives of:

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

Provide investment performance reporting for the portfolios within the Municipal Cash Pool (MCP).

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

### **Accomplishment Goals**

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

### **Performance Measures**

- The rating of the MOA's general obligation by Standard & Poor's and Fitch.
- Dollar amount of the net present value savings achieved by refunding outstanding debt with cost effective, innovative, and creative sources of funding.
- Monthly compliance report for investments that measure if the investments in the portfolio are compliant with AMC and P&P 24-11.
- Quarterly portfolio performance reports that measure the actual returns, gross of fees, of the portfolios within the MCP compared to the respective benchmark returns for the MCP.

### **Information as of June 30, 2025**

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

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

2016	AAA Stable	AA+ Stable
2017	AAA Stable	AA+ Stable
2018	AAA Stable	AA+ Stable
2019	AAA Stable	AA+ Stable
2020	AAA Stable	AA+ Stable
2021	AA+ Negative	AA+ Stable
2022	AA Negative	AA Stable
2024	AA- Stable	AA Stable

**Explanation:** The annual measurements above are demonstrating if the goal to maintain a rating of at least "AA" for the MOA's general obligation bonds is being accomplished. In 2021 S&P downgraded the rating due to the lack of the Municipality meeting its Fund Balance Policy. In 2022 Fitch took the same action for the same reason. The Fund Balance had dropped due to the expenditures related to the response to the 2018 Earthquake and the COVID-19 Pandemic. The assignment by the rating agencies is a complex evaluation that includes numerous criteria.

**Measure #2: Dollar amount of the net present value savings achieved by refunding outstanding debt with cost effective, innovative, and creative sources of funding.**

Year	Description of Refunding	Refunding Par Amount	Nominal Savings	NPV Savings
<b>2004</b>	GO-GP A	\$21,465,000	\$910,497	\$1,081,050
	GO-Schools B	80,735,000	4,591,405	3,827,322
	AWWU-Water	18,595,000	93,324	105,736
<b>2005</b>	Correctional Facility Ser 2005	40,835,000	2,833,444	2,140,257
	GO-Schools B	29,155,000	1,503,734	1,215,510
	GO-GP C	18,145,000	1,145,996	680,997
	GO-GP D	43,110,000	2,495,806	1,971,221
	GO-Schools E	14,790,000	959,894	700,678
	ML&P Senior Lien Ser 2005A	109,350,000	13,907,424	8,297,563
	ML&P Junior Lien (Txbl) S 2005B	25,745,000	4,724,772	4,724,772
<b>2006</b>	GO-Schools B	28,885,000	1,225,501	902,548
	GO-Schools C	51,705,000	2,155,824	1,630,782
<b>2007</b>	GO-GP A	32,245,000	1,453,595	851,659
	GO-Schools B	171,155,000	8,651,476	5,219,199
	AWWU-Water	91,315,000	2,687,639	1,454,552
	AWWU-Wastewater	59,665,000	1,210,318	665,233

<b>2009</b>	AWWU-Water	49,680,000	14,953,362	5,848,119
<b>2010</b>	GO-GP (refunding) C-1	11,840,000	1,036,948	1,137,757
	GO-GP (restructuring) C-2	11,910,000	-2,225,384	-583,328
<b>2011</b>	GO-Schools (refunding) C	28,310,000	1,947,120	1,832,934
<b>2012</b>	GO-GP (refunding) B	30,215,000	1,934,725	2,526,664
	GO-Schools (refunding) D	24,080,000	1,504,758	1,502,047
<b>2013</b>	No Refunding Activity			
<b>2014</b>	GO-GP (refunding) B	78,430,000	11,375,985	10,446,307
	GO-Schools (refunding) D	37,150,000	4,247,874	3,633,494
	ML&P Refunding	180,575,000	1,720,900	1,444,736
<b>2015</b>	GO-GP (refunding) B	115,250,000	13,142,354	12,667,732
	GO-Schools (refunding) D	81,040,000	10,155,939	9,198,977
	CIVICVentures (refunding)	93,970,000	17,203,908	9,099,922
<b>2016</b>	GO-Schools (refunding) C	41,960,000	4,444,132	4,297,132
<b>2017</b>	AWWU-Water	88,660,000	21,549,897	16,521,828
	AWWU-Wastewater	64,895,000	14,799,257	11,324,814
	AWWU-Water Refunding(T)	13,915,000	7,215,937	278,533
<b>2018</b>	GO-GP (refunding) B	20,265,000	617,965	1,199,551
	GO-Schools (refunding) D	57,020,000	6,827,125	6,301,871
<b>2019</b>	GO-GP (refunding) B	27,750,000	3,729,199	3,385,347
	GO-Schools (refunding) D	10,295,000	1,359,022	1,242,941
<b>2020</b>	GO-GP (refunding) B	1,765,000	255,829	254,632
	GO-GP (refunding) C	43,820,000	6,212,814	5,658,803
	GO-GP (refunding) D	13,900,000	2,917,962	2,804,721
	GO-Schools (refunding) F	77,830,000	8,941,887	8,124,692
<b>2021</b>	GO-GP (refunding) B	25,595,000	1,991,520	1,776,259

	GO-Schools (refunding) D	35,740,000	2,836,228	2,528,815
<b>2022</b>	No Refunding Activity			
<b>2023</b>	No Refunding Activity			
<b>2024</b>	No Refunding Activity			
	<b>Grand Total</b>	<b>\$2,102,755,000</b>	<b>\$211,247,912</b>	<b>\$159,924,379</b>

**Explanation:** This chart represents the refunding activity of debt outstanding and the savings to the Municipality. There was no refunding activity in 2022 and 2024 because there was no opportunity to refund at that time.

Financing Program	Savings
Master Lease Program 2008 – 2019	\$1,000,000
Port Commercial Paper Program 2008 – 2015	9,600,000
Port Direct Loan Agreement 2016 – 2020	3,000,000
ML&P Commercial Paper Program 2012 – 2015	27,400,000
ML&P Direct Loan Agreement 2016 – 2019	12,776,000
ASU Direct Loan Agreement 2013 – 2019	9,380,000
ASU Intermediate Term Borrowing Program (ITBP) 2017 – 2019	750,000
AWU Direct Loan Agreement 2013 – 2019	11,900,000
AWU Intermediate Term Borrowing Program (ITBP) 2017 – 2019	1,500,000
Tax Anticipation Notes Issues 2006 – 2023*	19,221,157
<b>2006 – 2023 Savings Achieved</b>	<b>\$96,527,157</b>

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

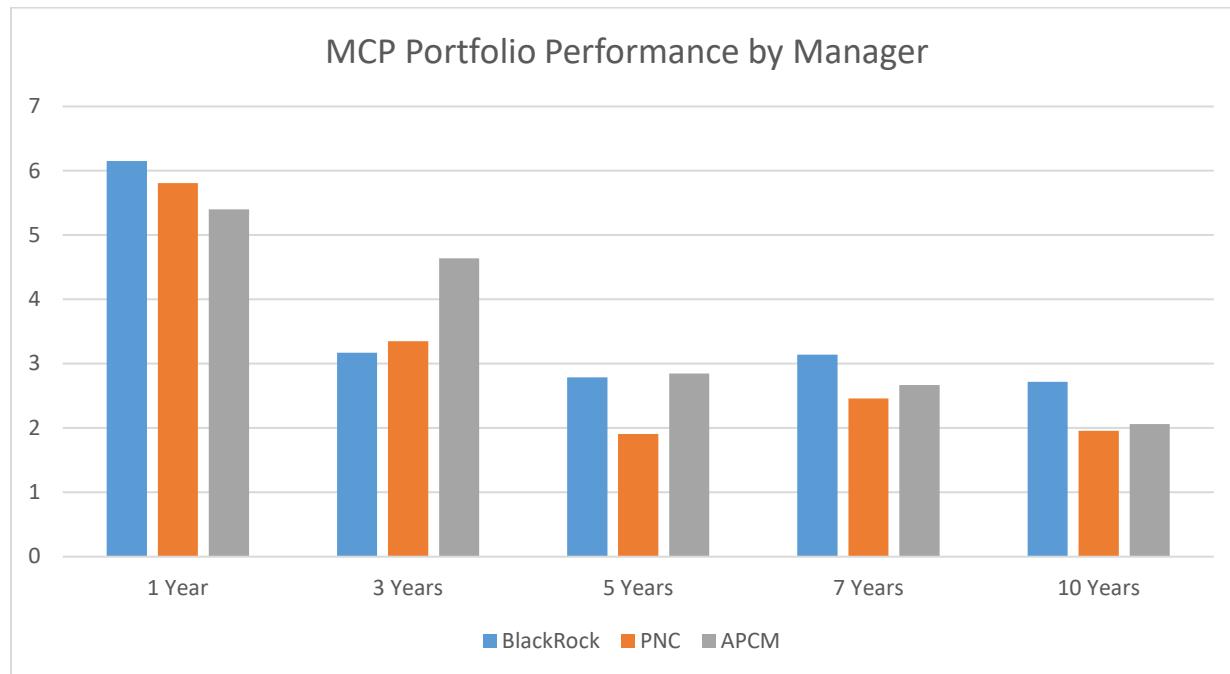
**Explanation:** These financing programs represent short-term borrowings that are customarily used to finance capital projects and then these financing programs are refunded with long-term revenue bonds. The savings amount represents the dollar amount of savings of using the financing programs versus having long-term revenue bonds outstanding during the indicated time-period.

<b>Measure #3: Monthly compliance report for investments that measure if the investments in the portfolio are compliant with AMC and P&amp;P 24-11.</b>		
Year	In Full Compliance?	Notes
2021	Yes, with exceptions	January - December Large cash positions were held in the RMF account for short term spending expected in January, February, and March; the returns on the type of short term, quality investments that would normally be invested in did not increase return, so these funds were left in money markets (which comprise Treasuries) rather than being invested individually in

		Treasuries (which would have reduced liquidity but not improved return).
<b>2022</b>	<b>Yes, with exceptions</b>	
	<b>January - November</b>	Large cash positions were held in the RMF account for short term spending expected in the near term; the returns on the type of short term, quality investments that would normally be invested in did not increase return, so these funds were left in money markets (which comprise Treasuries) rather than being invested individually in Treasuries (which would have reduced liquidity but not improved return).
	<b>December</b>	As of December 31, 2022, we are in full compliance.
<b>2023</b>	<b>Yes, with exceptions</b>	
	<b>February and March</b>	Large cash positions were held in the RMF account for short term spending expected in the near term; the returns on the type of short term, quality investments that would normally be invested in did not increase return, so these funds were left in money markets (which comprise Treasuries) rather than being invested individually in Treasuries (which would have reduced liquidity but not improved return).
	<b>April</b>	Large cash positions were held in the RMF account for short term spending expected in the near term; the returns on the type of short term, quality investments that would normally be invested in did not increase return, so these funds were left in money markets (which comprise Treasuries) rather than being invested individually in Treasuries (which would have reduced liquidity but not improved return).
	<b>August</b>	On August 31, MOA sent \$44.1 million and the School District sent \$43.7 million to USBank Debt Service accounts, and a debt service investment of \$5 million matured. All of these cash inflows were invested overnight in Money Market accounts, leaving the portfolio out of compliance with concentration limits for one day. On September 1, \$92.6 million was paid out for debt service and the portfolio was back in compliance.
	<b>November and December</b>	MOA staff have not been reinvesting matured RMF Fund investments, instead utilizing Money Market Funds (which comprise Treasuries) because the yield curve is inverted and liquidity may be needed soon.
<b>2024</b>	<b>January - December</b>	In full compliance
<b>2025</b>	<b>January – June</b>	In full compliance

**Explanation:** To comply with AMC (Policy and Procedures 24-11), the MOA must invest primarily in U.S. Government Securities. A maximum 25% of the concentration is allowed to be invested in Money Market mutual funds. For the explanations shown above, the Money Market investments were above the 25% threshold during the individual months displayed and thereby requiring a reason for being out of compliance. The Money Markets that MOA invests in, are invested in U.S. Government Securities. Therefore, the Policy and Procedures was revised effective April 23, 2024 to permit a higher percentage value in Money Market Funds that invest primarily in U.S. Government Securities.

**Measure #4: Quarterly portfolio performance reports that measure the actual returns over the trailing 1, 3, 5, 7, and 10 year time periods, gross of fees, of the portfolios within the MCP compared to the respective benchmark returns.**



	1 Year	3 Years	5 Years	7 Years	10 Years
<b>BlackRock Portfolio</b>	<b>6.15</b>	<b>3.17</b>	<b>2.79</b>	<b>3.14</b>	<b>2.72</b>
Benchmark	6.18	2.93	2.42	2.88	2.50
Excess Return	-0.03	0.24	0.37	0.26	0.22
<b>PNC Portfolio</b>	<b>5.81</b>	<b>3.35</b>	<b>1.91</b>	<b>2.46</b>	<b>1.96</b>
Benchmark	5.61	3.10	1.56	2.19	1.69
Excess Return	0.20	0.26	0.35	0.27	0.27
<b>APCM Portfolio</b>	<b>5.40</b>	<b>4.64</b>	<b>2.85</b>	<b>2.67</b>	<b>2.06</b>
Benchmark	4.97	4.23	2.56	2.45	1.87
Excess Return	0.43	0.41	0.29	0.22	0.19

Values are expressed as percentages.

**Explanation:** The table above shows investment return, gross of fees, for each Municipal Cash Pool (MCP) portfolio manager, along with each manager's benchmark returns. Although returns may vary widely in the short term, managers are expected to beat their benchmark gross of fees over the long run. Public Finance monitors portfolio returns and other data to ensure that managers hired for the MCP are providing attractive returns relative to their benchmarks and their peers while maintaining a risk profile that is consistent with their mandate. Managers that do not meet our objectives can be replaced.

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## Division of Treasury Department of Finance

*Anchorage: Performance. Value. Results.*

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### **Mission**

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 Custodian of the 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:

<b><u>Measure #1: Treasury – Direct Revenues Collected vs. Cost (updated as of June 2024)</u></b>
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Efficiency Measure (budgeted cost): Since 2010, Treasury's direct cost budget has increased \$178K (+5.6%).

Effectiveness Measure (budgeted revenue): Since 2010 Treasury's direct annual revenue collection total has increased \$138M (+29%).

Treasury Function/Group	millions of dollars		Calculated multiple (revenue-to-cost ratio)
	2023 Revenues Actuals	2023 Budgeted Direct Costs	
Prop. tax revenues *	\$619.34	\$0.87	712X
Program tax revenues, incl. alcohol tax	\$112.86	\$1.09	104X
Delinq. crim./civil fines & fees	\$5.16	\$0.54	16X
MOA Trust Fund contribution	\$16.30	\$1.95	8.4X
<b>Total</b>	<b>\$753.66</b>	<b>\$4.46</b>	<b>169X</b>

\*Revenues include real and personal property taxes, PILT, penalty & interest, foreclosure cost recovery and aircraft registration fees; Costs include a one-third allocation of remittance processing direct costs as well as delinquent personal property collections.

NOTE: In addition to the data in the above table, Treasury's budget further invests \$0.9M to provide indirect support of over \$800M of general government budgeted 100 fund operating revenues associated with centralized cash journal posting and audit, remittance processing for municipal utilities, management of departmental (and municipal utility) misc. accounts receivable and city-wide revenue analysis and reporting performed on recurring cycle.

**Measure #2: Tax website and e-commerce made available to public, local businesses and 3<sup>rd</sup> party servicers (e.g., property taxpayers, mortgage/title cos., lodging industry, etc.)**

**Treasury Tax Performance Statistics**

Measurement	2021	2022	2023	Comments
Tax web site and e-commerce				
# of in-coming calls	10,110	6,489	4,798	12/31 Year-end; personnel count of 4
Average wait time	88	85	89	Reported in seconds
# of website hits	1,922,000	1,496,422	329,866	Includes Property Taxes and CAMA
# of credit card payments (via phone/web and in-person)	7,093	-	-	All WEB payments combined
# of e-check payments	5,094	-	-	All WEB payments combined
Total # of credit card + e-check payments	12,187	13,000	10,884	TOTAL WEB PAYMENTS 2023

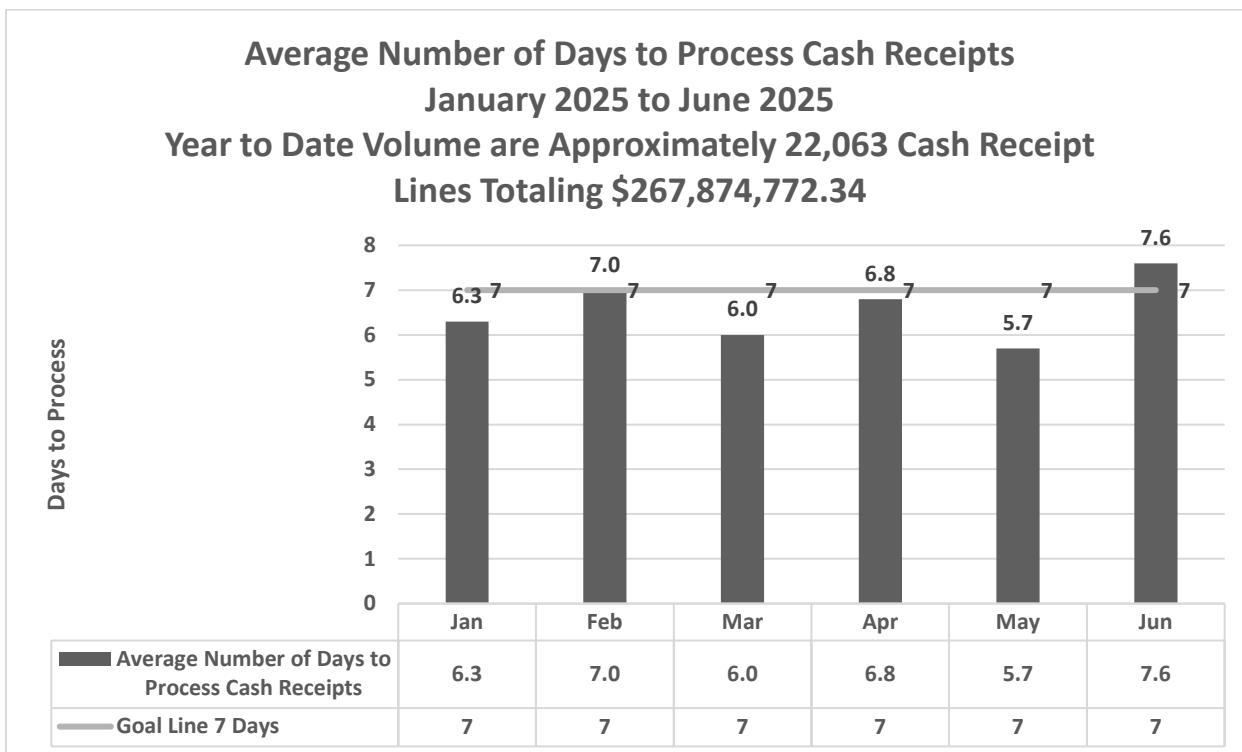
Mainframe   MF/GA      GA      Main Frame / Google  
Analytics

**The full value of these statistics require presenting a complete annual cycle. Annual data will be compiled and reported no later than the end of the 1st quarter following each calendar year.**

**2021 numbers included mobile homes Approx. 3,150. 2021 was the last year taxing mobile homes.**

**2022 source of web hits changed from Mainframe to iasWorld. Start of Google Analytics.**

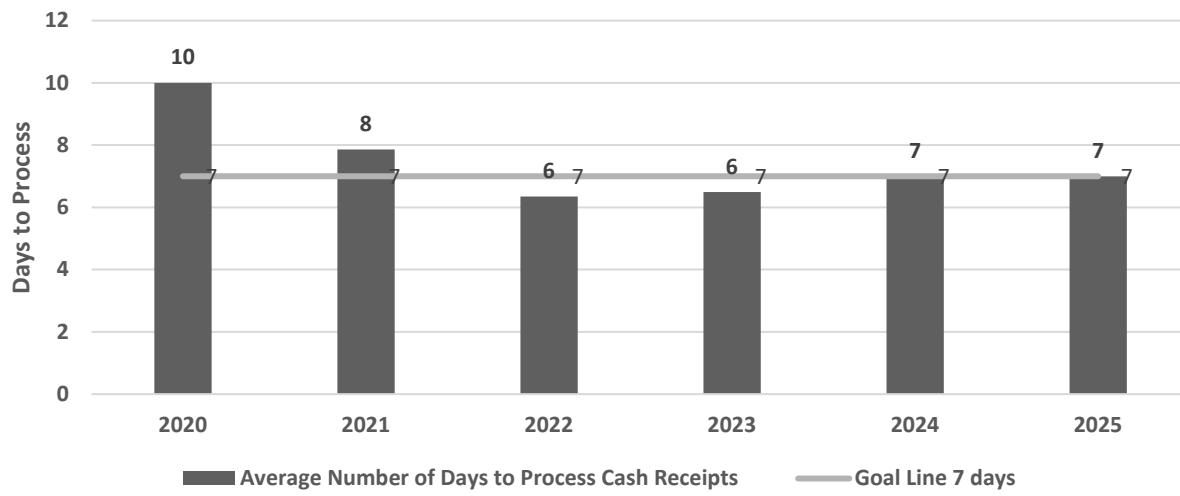
**2023 Google Analytics changed how they count district webhits.**

**Measure #3: Cash Journal processing time, from initial transaction date to posting date**

Lag in processing time in June 2025 is due to Cash Audit staff helping with the processing tax payments.

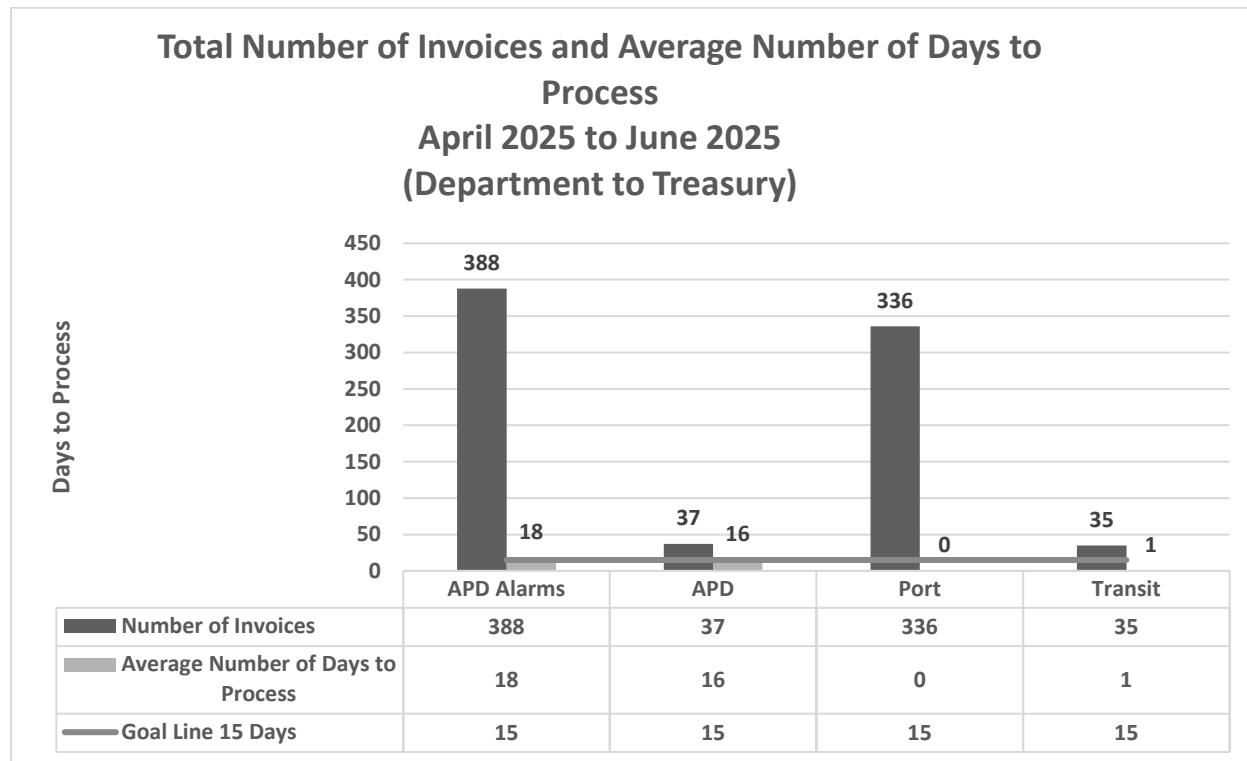
The Accounts Receivable section is aiming to process cash receipts (transaction date to posting day) in under 7 days.

**Average Number of Days to Process Cash Receipts  
(Department's Transaction Date to Treasury's Posting Day)  
2020 to 2025**



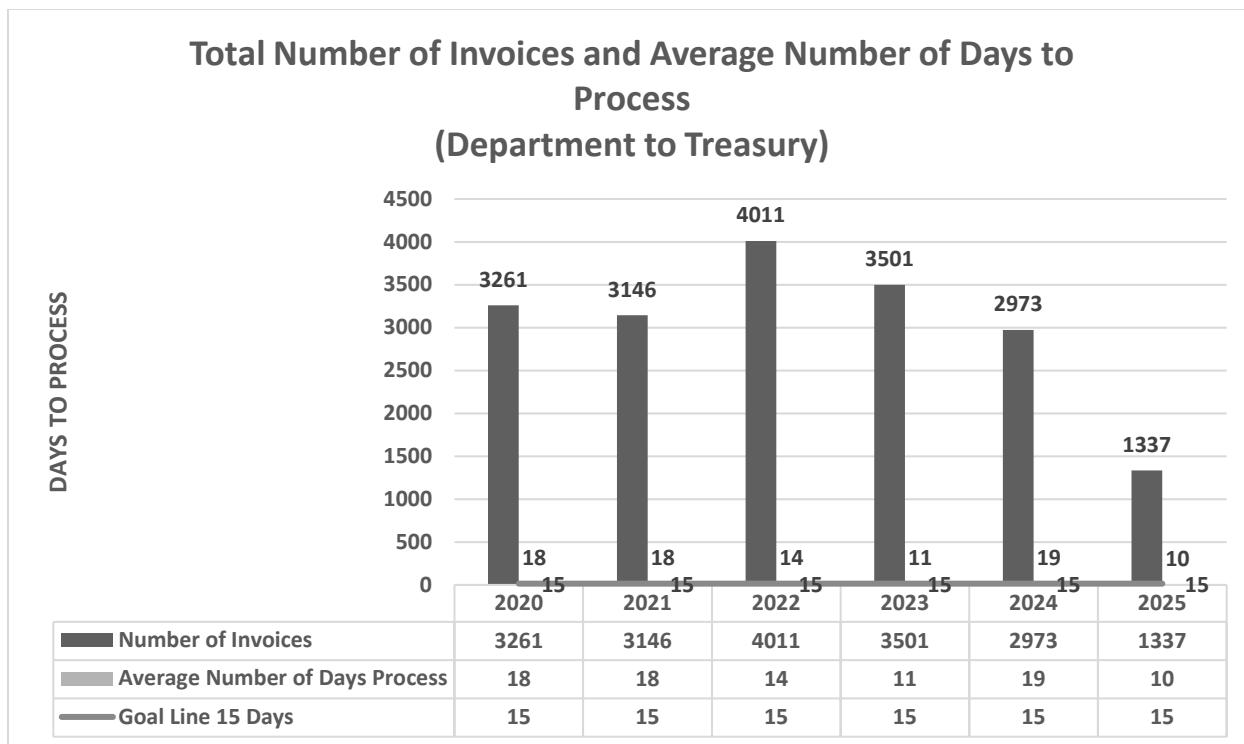
Lag in processing time in 2020 and 2021 was due to Covid-19.

The Accounts Receivable Section is aiming to process cash receipts (transaction day to posting day) in under 7 days.

**Measure #4: Timeliness of billings through SAP accounts receivable billing system**

Excluded Public Works and AFD from the statistics due to approved exceptions signed by the CFO.

APD has signed exceptions for monthly billing of alarms and other miscellaneous items.  
 APD did not process invoices for the miscellaneous items within the recommended timeframe.

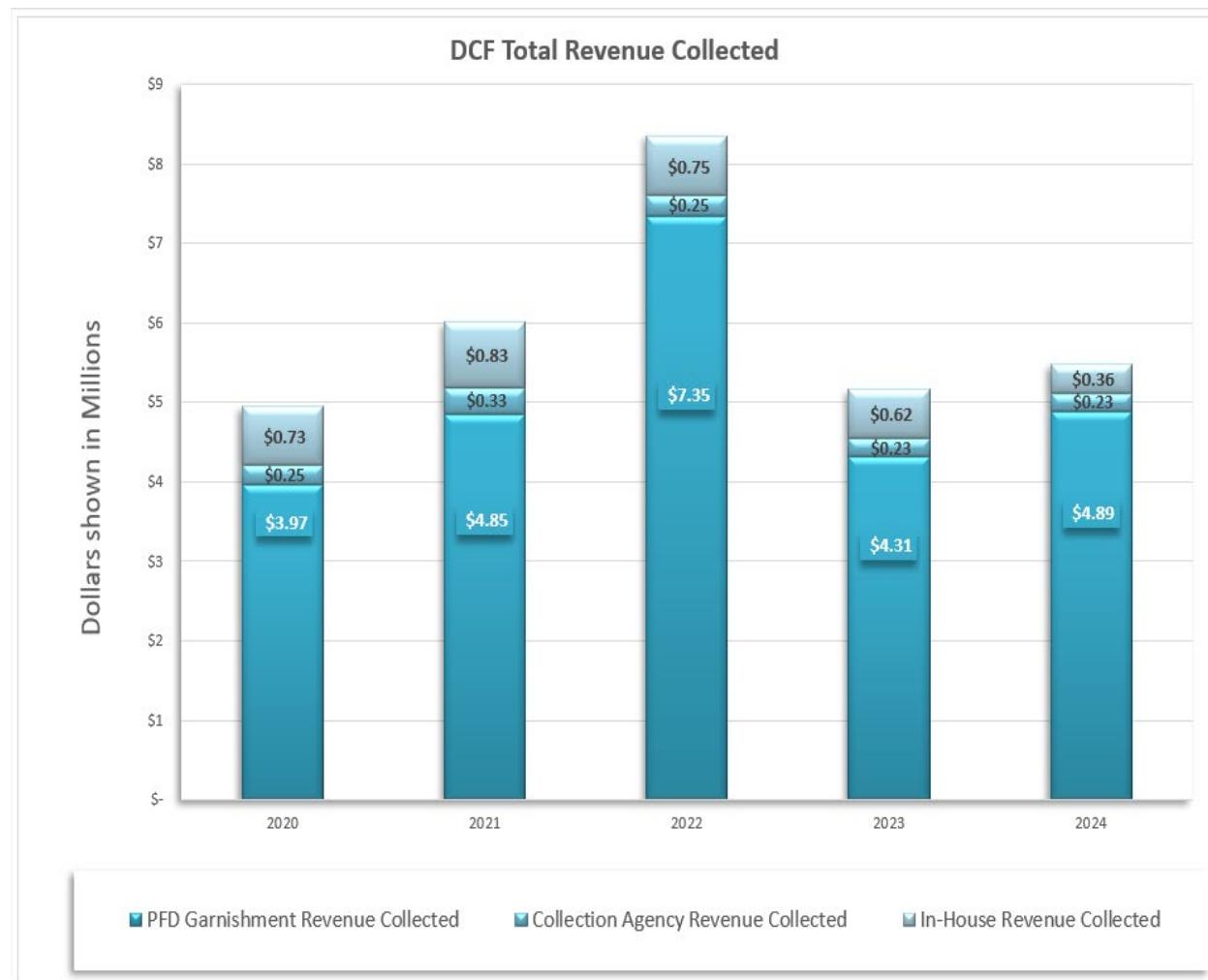


Excluded Public Works and AFD from the statistics due to approved exceptions signed by the CFO.

Lag in processing time in 2020 and 2021 was due to COVID -19.

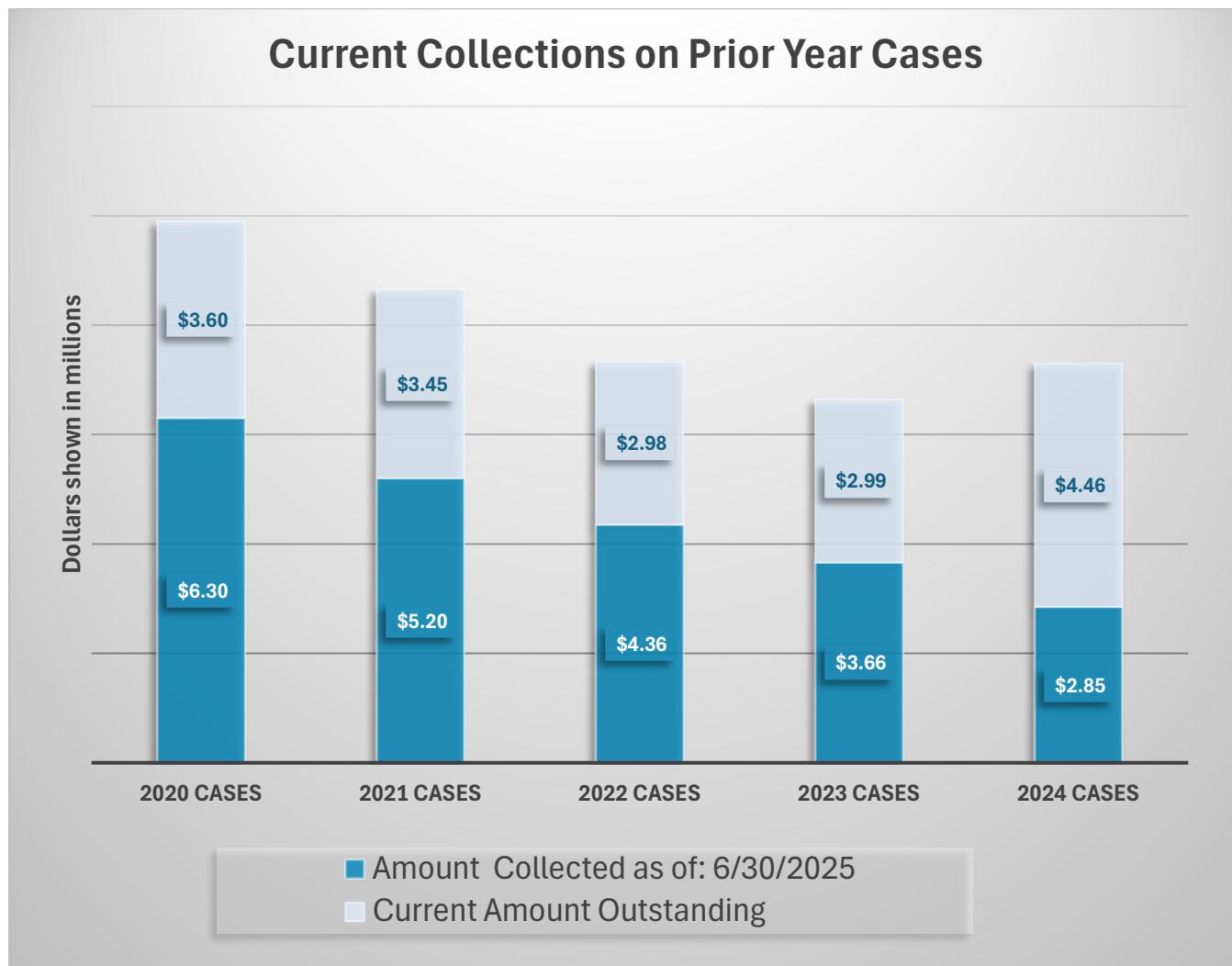
APD has signed exceptions for monthly billing of alarms and other miscellaneous items.

**Measure #5: Collections on delinquent criminal/civil fines and fees (DCF).**  
**Revenue collected per year for the previous five years.**

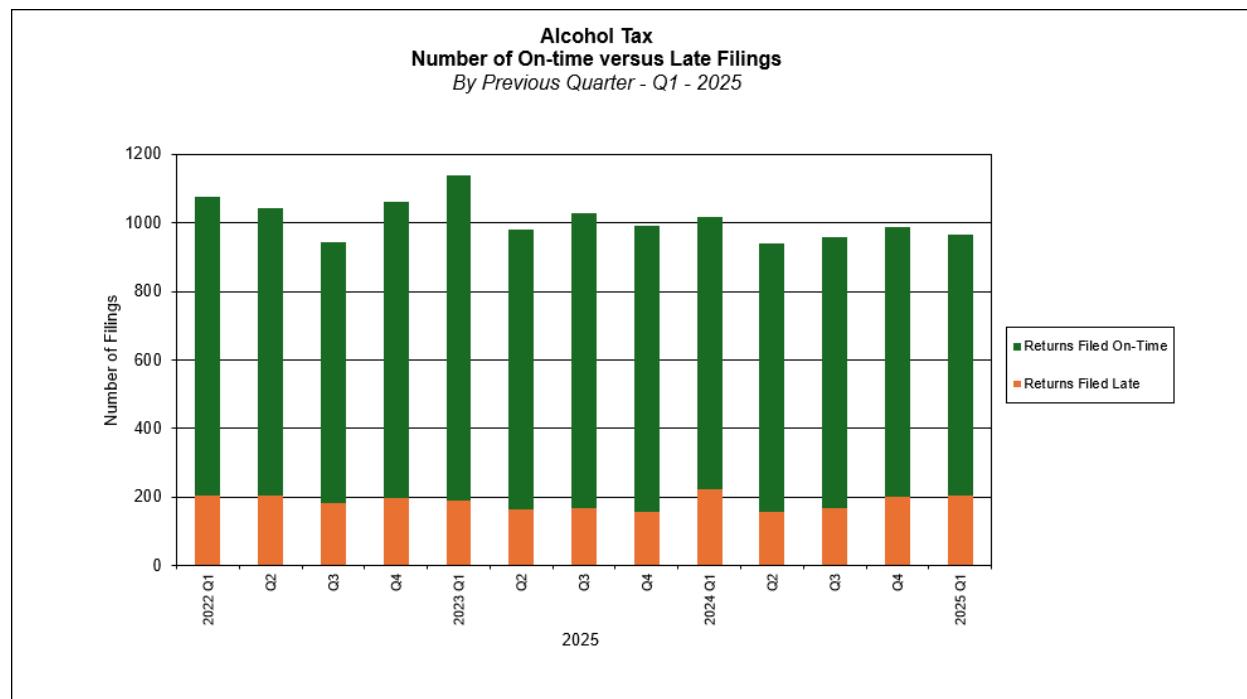
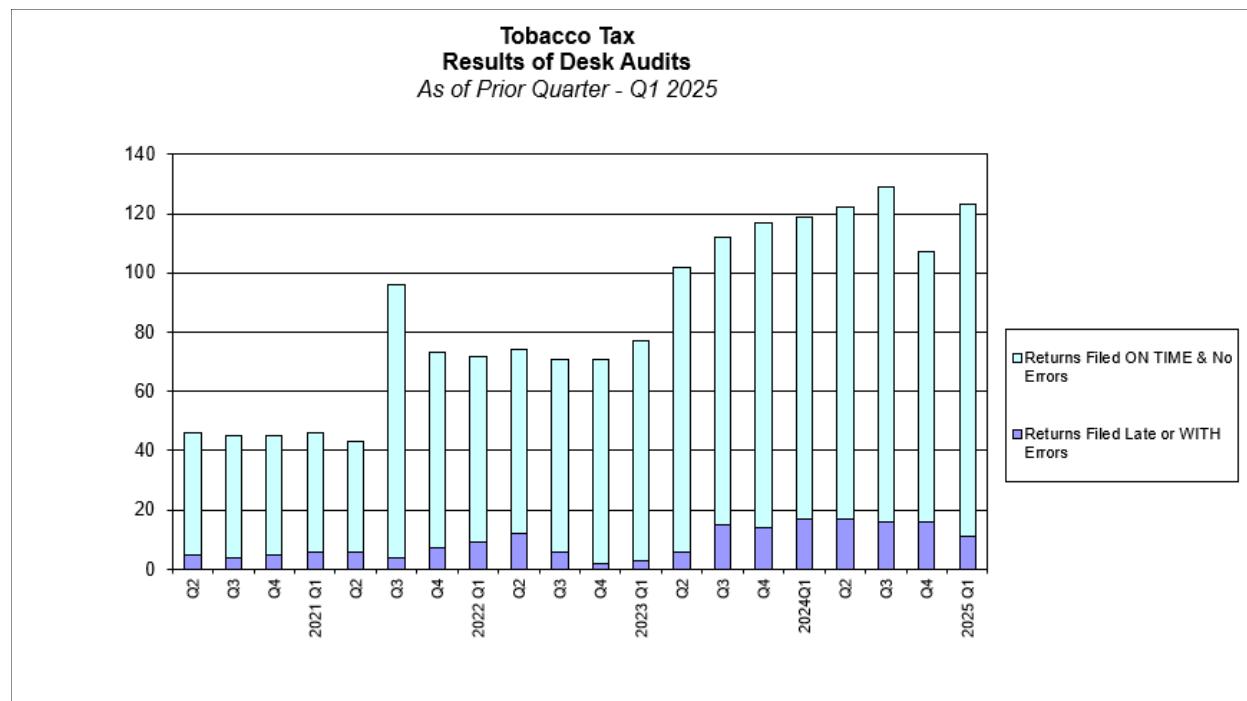


Graph represents amount collected per year broken down by revenue collected through PFD garnishments submitted by the DCF group, by our third-party collection agency and in-house.

Accounts are held in-house for 30-60 days prior to transfer to the collection agency.

**Measure #6: Continuing collection efforts on last 5 years of delinquent civil/criminal fines and fees (DCF) cases.**

Graph represents State of Alaska Court ordered fines and fees, paid vs. outstanding, shown in millions. Each bar represents amounts transferred to MOA for collection in that year. All years are still in active collections. Amount Collected is as of date stated in legend.

**Measure #7: Number of on-time versus late fillings for Alcohol Tax****Measure #8: Percent of incomplete or incorrect tobacco tax filings discovered through desk audits**

**Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices, we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.

