

CLERK'S OFFICE  
**APPROVED**

Date: \_\_\_\_\_

8-31-10

ANCHORAGE, ALASKA  
AR No. 2010-235

Submitted by: Chair of the Assembly at  
the Request of the Mayor  
Prepared by: Finance Department  
For reading: August 17, 2010

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING  
2 ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) OF POLICE  
3 DEPARTMENT PROGRAM REVENUES (FUND 151) AS A CONTRIBUTION, AND  
4 APPROPRIATING SAID CONTRIBUTION TO THE FINANCE DEPARTMENT/  
5 TREASURY DIVISION 2010 OPERATING BUDGET (FUND 101) TO PAY  
6 ANTICIPATED EARNED COMMISSION TO THE MUNICIPALITY'S CONTRACTED  
7 EXTERNAL COLLECTION AGENCY RESPONSIBLE FOR COLLECTING  
8 DELINQUENT CRIMINAL/CIVIL FINES AND FEES.

9  
10 WHEREAS, in June 2009 the Treasury Division of the Municipality's Finance  
11 Department re-hired Municipal Services Bureau (MSB), after a competitive RFP  
12 process, to collect delinquent criminal and civil fines and fees at a reduced contract  
13 cost;

14  
15 WHEREAS, funds collected by MSB are subject to a contracted commission rate  
16 which is estimated and budgeted as an expense within the Treasury Division's  
17 Operating Budget, while recovered revenues are primarily credited back to the  
18 Anchorage Police Department Operating Budget;

19  
20 WHEREAS, during the seven month period of June – December 2009 MSB earned  
21 commissions totaling \$81,000 (rounded) vs. earning \$147,500 (rounded) for the  
22 seven months ended July 2010 (i.e., nearly doubling their average monthly  
23 commission – from \$11,600/month in 2009 to \$21,000/month in 2010);

24  
25 WHEREAS, appropriation authority to pay contracted commissions within the  
26 Treasury Division's Operating Budget have been exhausted through the first half of  
27 2010 due to MSB's high performance which is nearly double their prior historical  
28 trend associated with revenue recovery;

29  
30 WHEREAS, the Treasury Division estimates up to \$150,000 of additional  
31 appropriation authority will be needed to pay contracted commissions to MSB for the  
32 period July through December 2010;

33  
34 WHEREAS, for every \$1.00 paid in commission to MSB the Municipality receives  
35 approximately \$3.35 in recovered revenue; now, therefore,

36  
37 THE ANCHORAGE ASSEMBLY RESOLVES:

38  
39 **Section 1.** To appropriate the sum of ONE HUNDRED FIFTY THOUSAND  
40 DOLLARS (\$150,000) of Police Department Program Revenues (Fund 151) as a  
41 contribution to the Finance Department / Treasury Division 2010 Operating Budget

1 (Fund 101) to pay anticipated earned commission to the Municipality's contracted  
2 external collection agency responsible for collecting delinquent criminal and civil fines  
3 and fees.  
4

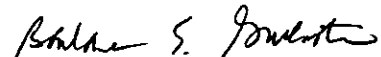
5 **Section 2.** To appropriate the contribution of ONE HUNDRED FIFTY THOUSAND  
6 DOLLARS (\$150,000) from the Police Department's 2010 Operating Budget (151) to  
7 the Finance Department / Treasury Division 2010 Operating Budget (Fund 101).  
8

9 **Section 3.** This resolution shall be effective immediately upon passage and  
10 approval by the Assembly.  
11

12 PASSED AND APPROVED by the Anchorage Assembly this 31<sup>st</sup> day of  
13 August, 2010.  
14

15  
16   
17 \_\_\_\_\_  
18 Chair of the Assembly

19 ATTEST:  
20

21   
22 \_\_\_\_\_  
23 Municipal Clerk  
24

25 **Department of Appropriation:**  
26 Finance Department -- \$150,000  
27

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 438-2010

Meeting Date: August 17, 2010

1 **From:** MAYOR  
2

3 **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE  
4 APPROPRIATING ONE HUNDRED FIFTY THOUSAND DOLLARS  
5 (\$150,000) OF POLICE DEPARTMENT PROGRAM REVENUES  
6 (FUND 151) AS A CONTRIBUTION, AND APPROPRIATING SAID  
7 CONTRIBUTION TO THE FINANCE DEPARTMENT / TREASURY  
8 DIVISION 2010 OPERATING BUDGET (FUND 101) TO PAY  
9 ANTICIPATED EARNED COMMISSION TO THE MUNICIPALITY'S  
10 CONTRACTED EXTERNAL COLLECTION AGENCY RESPONSIBLE  
11 FOR COLLECTING DELINQUENT CRIMINAL / CIVIL FINES AND  
12 FEES.  
13

14 The attached resolution appropriates \$150,000 of Police Service Area revenues  
15 from Fund 151 to be contributed to the operating budget within the Treasury  
16 Division of the Finance Department. This supplemental appropriation action is  
17 needed in order to continue paying the contracted commissions projected to be  
18 earned through the end of 2010 by one of the Municipality's external collection  
19 agencies (i.e., Municipal Services Bureau, aka MSB).  
20

21 During the first seven months of 2010 MSB has collected on delinquent criminal /  
22 civil fines and fees, most of which are credited as Anchorage Police Department  
23 (APD) revenue, at nearly two times the historical collection rate. This trend has  
24 consistently occurred since January 2010 after the Municipality revamped internal  
25 processes to improve the timeliness and data quality of accounts referred to MSB.  
26 The strong upward trend in external collection agency commissions earned has  
27 been consistently strong through the first seven months of 2010 and the Treasury  
28 Division expects it to remain strong going forward. Currently there are insufficient  
29 funds available to pay MSB's July – December 2010 invoices.  
30

31 The 2010 purchase order setup for MSB was originally budgeted and funded at  
32 \$124,600, using historical average collections as a means to estimate commissions  
33 payable. Based on actual activity experienced thus far in 2010, however, the  
34 Treasury Division now projects commissions paid to MSB by year end will total  
35 approximately \$275,000, hence the need for an additional \$150,000 of expenditure  
36 authority. All supplemental funding will be fully applied to the existing MSB  
37 purchase order and unspent funds, if any, will lapse to areawide fund balance at  
38 year end.  
39

40 For every \$1 paid in commissions to MSB the Municipality collects \$3.35 in return

1 which is credited primarily to APD's operating revenue accounts (e.g., delinquent  
2 traffic fines, account 9211).

3  
4 The accounting detail is as follows:

5  
6 **Revenue:**

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
151-4624-9211-BP2010	SOA Traffic Court Fines	\$150,000
101-1342-9601-BP2010	Contributions from Other Funds	\$150,000

10  
11 **Expenditure:**

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
151-4624-3901-BP2010	Contributions to Other Funds	\$150,000
101-1342-3101-BP2010	Professional Services	\$150,000

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15  
16 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION OF**  
17 **THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE HUNDRED FIFTY**  
18 **THOUSAND DOLLARS (\$150,000) OF POLICE DEPARTMENT PROGRAM**  
19 **REVENUES (FUND 151) AS A CONTRIBUTION, AND APPROPRIATING SAID**  
20 **CONTRIBUTION TO THE FINANCE DEPARTMENT / TREASURY DIVISION 2010**  
21 **OPERATING BUDGET (FUND 101) TO PAY ANTICIPATED EARNED**  
22 **COMMISSION TO THE MUNICIPALITY'S CONTRACTED EXTERNAL**  
23 **COLLECTION AGENCY RESPONSIBLE FOR COLLECTING DELINQUENT**  
24 **CRIMINAL / CIVIL FINES AND FEES.**

25  
26 Prepared by: Daniel Moore, Municipal Treasurer  
27 Concurrence & Fund Certification: Lucinda Mahoney, CFO  
28 151-4624-9211-BP2010 -- \$150,000  
29 Concur: George J. Vakalis, Municipal Manager  
30 Respectfully submitted: Daniel A. Sullivan, Mayor

**Content ID:** 009285

**Type:** AR\_FundsApprop - Funds Approp Resolution

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) OF POLICE DEPARTMENT PROGRAM REVENUES (FUND 151) AS A CONTRIBUTION, AND APPROPRIATING SAID CONTRIBUTION TO THE FINANCE

**Title:** DEPARTMENT/TREASURY DIVISION 2010 OPERATING BUDGET (FUND 101) TO PAY ANTICIPATED EARNED COMMISSION TO THE MUNICIPALITY'S CONTRACTED EXTERNAL COLLECTION AGENCY RESPONSIBLE FOR COLLECTING DELINQUENT CRIMINAL/CIVIL FINES AND FEES

**Author:** pruitns

**Initiating Dept:** Finance

**Keywords:** Revenues, APD, Fines and Fees, Treasury, Finance, Contribution, Appropriating

**Date Prepared:** 8/5/10 4:51 PM

**Director Name:** Lucinda Mahoney

**Assembly Meeting Date:** 8/17/10

**Date:**

**Public Hearing Date:** 8/17/10 <sup>31</sup>

**Date:**

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	8/6/10 1:11 PM	Exit	Joy Maglaqui	Public	009285
MuniManager_SubWorkflow	8/6/10 1:11 PM	Approve	Joy Maglaqui	Public	009285
OMB_SubWorkflow	8/6/10 1:10 PM	Approve	Cheryl Frasca	Public	009285
Finance_SubWorkflow	8/6/10 11:17 AM	Approve	David Ryan	Public	009285
Finance_SubWorkflow	8/6/10 11:10 AM	Checkin	Nina Pruitt	Public	009285
Finance_SubWorkflow	8/6/10 8:51 AM	Checkin	Nina Pruitt	Public	009285
FundsAppropWorkflow	8/5/10 4:55 PM	Checkin	Nina Pruitt	Public	009285