

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Fire Department  
For reading: July 13, 2010

CLERK'S OFFICE  
**APPROVED**

Date: 7-27-10 ANCHORAGE, ALASKA  
AR No. 2010- 209


1 A RESOLUTION APPROPRIATING ONE HUNDRED SEVEN THOUSAND FIVE  
2 HUNDRED DOLLARS (\$107,500) OF RETIREMENT CERTIFICATE OF  
3 PARTICIPATION (COP) DEBT SERVICE FUND (719) FUND BALANCE TO THE  
4 RETIREMENT CERTIFICATE OF PARTICIPATION (COP) DEBT SERVICE FUND  
5 (719) AS A CONTRIBUTION, AND APPROPRIATING SAID CONTRIBUTION TO  
6 THE ANCHORAGE FIRE DEPARTMENT, AREAWIDE GENERAL FUND (101) FOR  
7 PAYMENT OF A LABOR SETTLEMENT.  
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9  
10 THE ANCHORAGE ASSEMBLY RESOLVES:

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12 **Section 1.** The sum of ONE HUNDRED SEVEN THOUSAND FIVE HUNDRED  
13 DOLLARS (\$107,500) of Retirement Certificate of Participation (COP) Debt Service  
14 Fund (719) Fund Balance is hereby appropriated to the Retirement Certificate of  
15 Participation (COP) Debt Service Fund (719) to be contributed as an appropriation to  
16 the Anchorage Fire Department, Areawide General Fund (101), for payment of a labor  
17 settlement.  
18

19 **Section 2.** This resolution shall be effective immediately upon passage and  
20 approval by the Assembly.  
21

22 PASSED AND APPROVED by the Anchorage Assembly this 27<sup>th</sup> day of  
23 July, 2010.  
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26   
27 Chair of the Assembly  
28

29 ATTEST:

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33 Municipal Clerk  
34

35  
36 **Department of Appropriation:**  
37 COP Debt Service Fund \$107,500  
38 Anchorage Fire Department \$107,500

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 397-2010

Meeting Date: July 13, 2010

1 **From: MAYOR**

2  
3 **Subject: A RESOLUTION APPROPRIATING ONE HUNDRED SEVEN**  
4 **THOUSAND FIVE HUNDRED DOLLARS (\$107,500) OF RETIREMENT**  
5 **CERTIFICATE OF PARTICIPATION (COP) DEBT SERVICE FUND (719) FUND**  
6 **BALANCE TO THE RETIREMENT CERTIFICATE OF PARTICIPATION (COP)**  
7 **DEBT SERVICE FUND (719) AS A CONTRIBUTION, AND APPROPRIATING**  
8 **SAID CONTRIBUTION TO THE ANCHORAGE FIRE DEPARTMENT, AREAWIDE**  
9 **GENERAL FUND (101) FOR PAYMENT OF A LABOR SETTLEMENT.**

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11 A former employee of the AFD filed suit against the Municipality, alleging  
12 constructive discharge and retaliation by his supervisors in the department for his  
13 alleged "whistle blowing" activities. Although the facts demonstrated that the  
14 Municipality had a good chance it would prevail at suit, there were a number of  
15 factors that posed significant problems for the Municipality. Accordingly, after much  
16 analysis by the legal department and the administration, a decision was made to  
17 settle the matter for a fraction of the potential liability. It was determined that, should  
18 the plaintiff prevail, the Municipality faced a potential liability for as much as six or  
19 more times the settlement amount. In reaching settlement, the parties agreed to  
20 keep the settlement provisions confidential, primarily to protect the Municipality's  
21 legal interests, although neither side admits any wrongdoing or liability. The  
22 settlement is a complete and final resolution of all claims, and the lawsuit has been  
23 dismissed.

24  
25 This Assembly Resolution is necessary because the settlement agreement was  
26 reached only a few days before the scheduled start of trial. Given the short time  
27 frame between reaching settlement and the date set for trial, it was imperative that  
28 the payments to be made under the agreement were made quickly. The  
29 administration concluded that these payments should be the responsibility of the  
30 Fire Department, as the issues giving rise to the claims were primarily based within  
31 the department. Since this item was not budgeted and AFD cannot absorb the costs  
32 in its current operating budget without adversely impacting the department's ability  
33 to carry out its functions, the administration is requesting a supplemental  
34 appropriation to cover the cost of this settlement.

1 Budget Details are as follows:

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**REVENUE:**

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719-0740-BP2010 Fund Balance Available \$ 107,500

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**EXPENDITURE:**

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719-9072-3901-BP2010 Contributions to Other Funds \$ 107,500

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**REVENUE:**

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101-3210-9601-BP2010 Contributions from Other Funds \$ 107,500

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**EXPENDITURE:**

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101-3210-1101-BP2010 Straight-Time Labor \$ 42,061

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101-3210-3116-BP2010 Legal-Labor Settlement 65,439

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TOTAL \$ 107,500

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**THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION APPROPRIATING ONE HUNDRED SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$107,500) OF RETIREMENT CERTIFICATE OF PARTICIPATION (COP) DEBT SERVICE FUND (719) FUND BALANCE TO THE RETIREMENT CERTIFICATE OF PARTICIPATION (COP) DEBT SERVICE FUND (719) AS A CONTRIBUTION, AND APPROPRIATING SAID CONTRIBUTION TO THE ANCHORAGE FIRE DEPARTMENT, AREAWIDE GENERAL FUND (101) FOR PAYMENT OF A LABOR SETTLEMENT.**

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Prepared by: Cheryl Frasca, Director, OMB

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Fund certification: Lucinda Mahoney, CFO

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719-0740 BP2010 \$107,500

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(Retirement COP Debt Service Fund Balance)

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Concur: Mark Hall, Anchorage Fire Chief

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Concur: George J. Vakalis, Municipal Manager

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Respectfully submitted: Daniel A. Sullivan, Mayor

**Content ID:** 009142**Type:** AR\_FundsApprop - Funds Approp Resolution

A RESOLUTION APPROPRIATING \$107,500 OF RETIREMENT CERTIFICATE OF PARTICIPATION (COP) DEBT SERVICE FUND (719) FUND BALANCE TO THE RETIREMENT CERTIFICATE OF PARTICIPATION (COP) DEBT SERVICE FUND (719) AS A CONTRIBUTION, AND APPROPRIATING SAID CONTRIBUTION TO THE FIRE DEPARTMENT, AREAWIDE GENERAL FUND (101) FOR PAYMENT OF A LABOR SETTLEMENT

**Author:** pruittns**Initiating Dept:** OMB

**Description:** APPROPRIATING \$107,500 OF RETIREMENT COP DEBT SERVICE FUND (719) FUND BALANCE TO FUND (719) AS A CONTRIBUTION, AND APPROPRIATING SAID CONTRIBUTION TO THE FIRE DEPARTMENT, AREAWIDE GENERAL FUND (101) FOR PAYMENT OF A LABOR SETTLEMENT

**Keywords:** APPROPRIATING \$107,500 OF RETIREMENT COP DEBT SERVICE FUND (719) FUND BALANCE TO FUND (719) AS A CONTRIBUTION, AND APPROPRIATING SAID CONTRIBUTION TO THE FIRE DEPARTMENT, AREAWIDE GENERAL FUND (101) FOR PAYMENT OF A LABOR SETTLEMENT

**Date Prepared:** 6/11/10 10:02 AM**Director Name:** Cheryl Frasca**Assembly Meeting Date:** 7/13/10**Public Hearing Date:** 7/27/10

<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	7/2/10 9:21 AM	Exit	Nina Pruitt	Public	009142
MuniManager_SubWorkflow	7/2/10 9:21 AM	Approve	Nina Pruitt	Public	009142
Finance_SubWorkflow	6/16/10 10:44 PM	Approve	Lucinda Mahoney	Public	009142
Finance_SubWorkflow	6/14/10 10:25 AM	Checkin	Nina Pruitt	Public	009142
OMB_SubWorkflow	6/11/10 10:22 AM	Approve	Cheryl Frasca	Public	009142
FundsAppropWorkflow	6/11/10 10:10 AM	Checkin	Marilyn T. Banzhaf	Public	009142