

Submitted by: Chairman of the Assembly at
the Request of the Mayor
Prepared by: Maintenance and Operations
For Reading: August 17, 2010

CLERK'S OFFICE
APPROVED

Date: 8-31-10 _____ ANCHORAGE, ALASKA
AR No. 2010-237

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE
2 HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) FROM THE TALUS WEST LRSA
3 FUND BALANCE (FUND 142) TO THE TALUS WEST LRSA BP2010 OPERATING
4 BUDGET (FUND 142), MAINTENANCE AND OPERATIONS DEPARTMENT, FOR ROAD
5 REPAIRS ON VARIOUS SERVICE AREA ROADS.
6

7
8 **WHEREAS**, the Maintenance and Operations Department is authorized to administer Talus
9 West LRSA funds appropriated by the Anchorage Municipal Assembly; and

10
11 **WHEREAS**, One Hundred Fifty Thousand Dollars (\$150,000) is available in the Talus West
12 LRSA Fund Balance (Fund 142); and


13
14 **WHEREAS**, said funding is needed by the Talus West LRSA for much needed road repairs
15 on various service area roads; now, therefore,
16

17
18 **THE ANCHORAGE ASSEMBLY RESOLVES:**


19
20 **Section 1.** The sum of One Hundred Fifty Thousand Dollars (\$150,000) is hereby
21 appropriated from the Talus West LRSA Fund Balance (Fund 142) to the Talus West LRSA
22 BP2010 Operating Budget (Fund 142), Maintenance and Operations Department.
23

24 **Section 2.** This resolution shall take effect immediately upon passage and approval by
25 the Anchorage Municipal Assembly.
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27
28 PASSED AND APPROVED by the Anchorage Assembly this 31st day of
29 August, 2010.
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34 
35 _____
36 Chair of the Assembly

37 ATTEST:

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40 _____
41 Municipal Clerk
42

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44
45 **Departmental Appropriation:**
46 Maintenance and Operations Department: \$150,000 (Fund Balance)

MUNICIPALITY OF ANCHORAGE ASSEMBLY MEMORANDUM

No. AM 440-2010

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) FROM THE TALUS WEST LRSA FUND BALANCE (FUND
6 142) TO THE TALUS WEST LRSA BP2010 OPERATING BUDGET
7 (FUND 142), MAINTENANCE AND OPERATIONS DEPARTMENT, FOR
8 ROAD REPAIRS ON VARIOUS SERVICE AREA ROADS.
9

10 The attached Resolution appropriates \$150,000 from the Talus West LRSA Fund Balance
11 (Fund 142) to the Talus West LRSA BP2010 General Operating Budget (Fund 142),
12 Maintenance and Operations Department, for various road repairs. Portions of Frontier Lane,
13 Passage Way, and Firline Drive require repair due to ongoing drainage problems and poor
14 soils (Exhibit A). Additional funds will be needed to supplement the BP2010 Operating Budget
15 in order to complete the proposed asphalt and culvert repairs during the 2010 summer
16 construction season. The estimated cost for the proposed road repairs is \$150,000.
17

18 The proposed fund balance appropriation is in conformance with the Talus West LRSA Fund
19 Balance Designation Policy (Exhibit B). After the appropriation, there will be sufficient fund
20 balance set aside for bond rating purposes and emergency road work (Exhibit C).
21

22 The Talus West LRSA Board of Supervisors supports this resolution and recommends that the
23 Assembly approve the appropriation.
24

25 The accounting detail is as follows:
26

Revenue	Name	Amount
142.0740	Fund Balance	\$150,000
Expenditures	Name	Amount
142.7433.3808.BP2010	Contractual Services Others	\$150,000

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32 **THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ATTACHED RESOLUTION**
33 **APPROPRIATING ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) FROM THE**
34 **TALUS WEST LRSA FUND BALANCE (FUND 142) TO THE TALUS WEST LRSA BP2010**
35 **GENERAL OPERATING BUDGET (FUND 142), MAINTENANCE AND OPERATIONS**
36 **DEPARTMENT, FOR ROAD REPAIRS ON VARIOUS SERVICE AREA ROADS.**
37

38 Prepared by: Alan Czajkowski, Director, Maintenance and Operations

39 Concur: Greg Jones, Executive Director
40 Office of Community Planning and Development

41 Fund certification: Lucinda Mahoney, CFO
42 142.0740 \$150,000
43 (Talus West LRSA Fund Balance)

44 Concur: George J. Vakalis, Municipal Manager

45 Respectfully submitted: Daniel A. Sullivan, Mayor

Talus West

EXHIBIT A

Limited Road Service Area

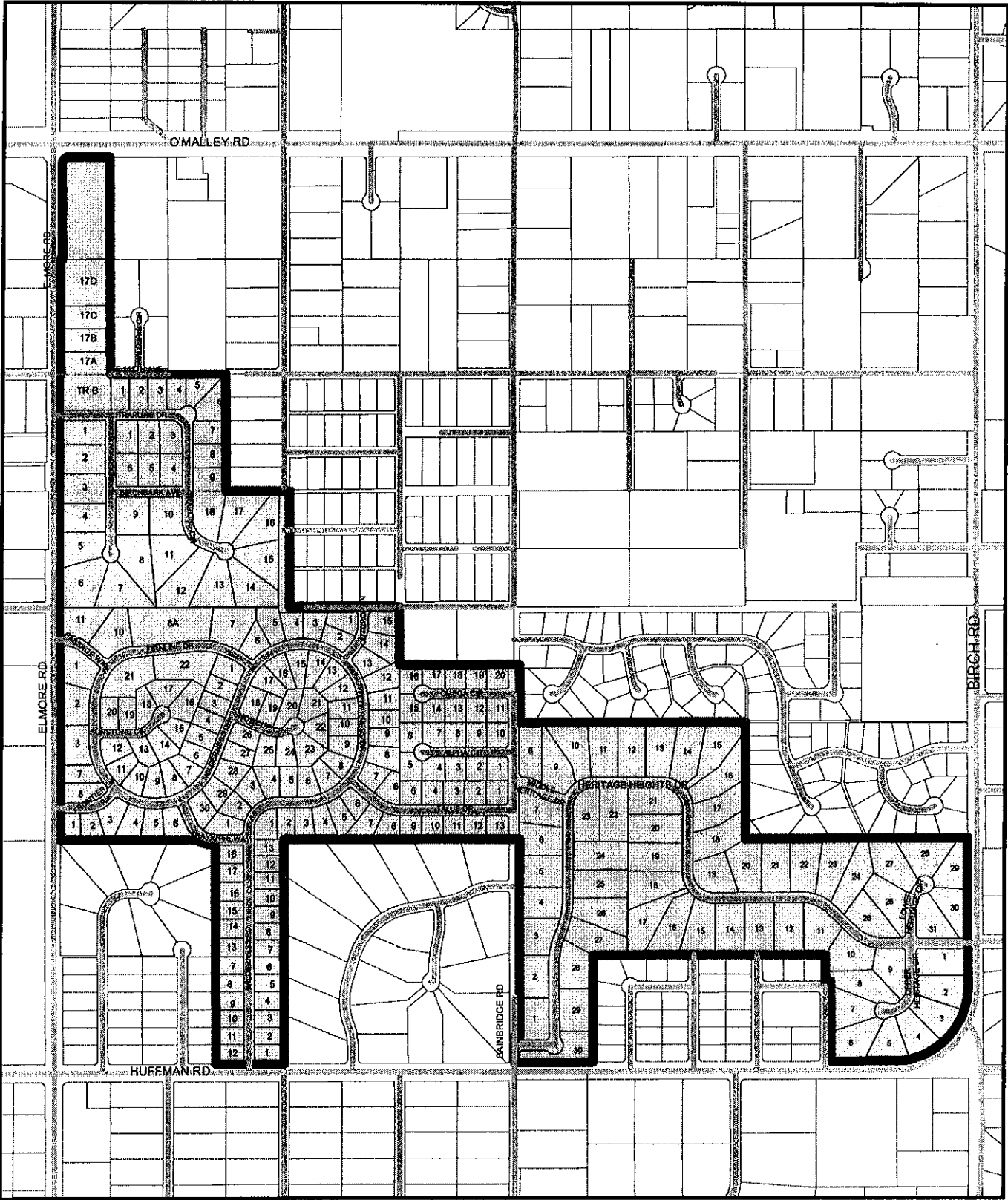


EXHIBIT B

TALUS WEST LIMITED ROAD SERVICE AREA SERVICE AREAS OPERATING MANUAL

XII. FUND BALANCE DESIGNATION POLICY

- A. All service areas have an established fund balance designation policy, designating a percentage of prior year service area revenues set aside and held in the service area fund balance for specific uses.
- B. Fund balances are not intended to be held for construction projects for limited road service area road work because they have only limited road maintenance authority, but rural road service areas are authorized to do so because they have road construction authority.
- C. Fund balances are not intended to prevent a reduction of mill levies and may, consequently, be used to fund budgets and inherently reduce mill levies.
- D. Components of the policy,
 1. Municipal bond rating set aside, currently 8.25%:
 - a. this amount is financially determined as a percentage of revenues based on municipal bond rating requirements.
 - b. this amount must be maintained in the fund balance and cannot be used by the service area.
 - c. historically, these funds have not been used by the municipality.
 2. Emergency road work set aside, generally 20%:
 - a. this amount is used for inordinate snow and ice events, emergency road repairs and other unexpected road maintenance needs.
 - b. this amount is used for board and administration-determined needs that the service area budget is unable to fund.
 - c. historically, these funds have been used from time to time and are replenished over a period of a year or two.
 3. Road improvement work set aside (see section B. above regarding road work authority)
 - a. this amount is primarily used for summer projects that have long term road maintenance reduction aspects.
 - b. this amount is used for board and administration discretionary projects that will ensure safe, drivable and well maintained rural roads.
 - c. historically, these funds have been used on an annual or a few-year basis for planned long-term improvements/road maintenance reduction work and are replenished from time to time through prior year budget carry-over funds.

1 The Resolution also proposes a policy whereby sufficient unreserved fund balance be
2 maintained in all other funds to meet operating and capital needs of the individual fund.
3 The amount may be impacted by the size of the fund, the volatility of operating
4 expenditures and revenues, the financial strategy used to fund capital improvements, or
5 the unique functional and financial needs of the fund. Specific levels may be as
6 recommended by applicable advisory boards and will be reflected in the proposed and
7 approved budgets.

8
9 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE RESOLUTION
10 2004- 154 ADOPTING A FUND BALANCE DESIGNATION POLICY.

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12 Prepared By: Diana Percy, CPA, Director, Office of Management and Budget
13 Concurrence: Jeffrey E. Sinz, Chief Fiscal Officer
14 Concurrence: Denis C. LeBlanc, Municipal Manager
15 Respectfully Submitted: Mark Begich, Mayor



**MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM**

No. AM 479-2004

Meeting Date: June 8 2004

1 From: Mayor

2
3 Subject: Fund Balance Designation Policy - AR 2004-154

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5
6 Recommended budgetary and fiscal practices, as issued by the Government Finance
7 Officers Association, state that local governments should adopt a formal policy
8 establishing the appropriate level of unreserved fund balance. Maintaining an adequate
9 level of fund balance is viewed as essential to mitigating current and future risk (e.g.,
10 revenue shortfalls and unanticipated expenditures) and helping to ensure stable tax
11 rates. In addition, predictable fund balance levels are considered a crucial element of
12 long-range fiscal planning and are viewed positively by bond rating agencies. The
13 attached resolution, if approved, will formally adopt an unreserved fund balance
14 designation policy.

15
16 In March 2002, the Municipal general government and the Anchorage School District
17 entered into a long-term agreement to maintain general fund balances to support the
18 Municipality's bond rating. Both agencies agreed to use their best efforts in budgeting
19 and managing expenditures so as to maintain general fund unreserved fund balances in
20 an amount equal to or greater than 8.25% of general fund revenues for general
21 government, and equal to or greater than 8.25% of revenues from local tax
22 appropriations for the school district. This is proposed to continue and is referred to as
23 the Bond Rating Designation within the new policy.

24
25 In addition to the Bond Rating Designation, the policy establishes an Operating
26 Emergency Designation. This designation is proposed at 2.5% of prior year revenues
27 and is applicable within the five major general funds. The five major funds consist of the
28 Areawide General Fund, Anchorage Fire SA Fund, Anchorage Roads and Drainage SA
29 Fund, Anchorage Metro Police SA Fund, and the Anchorage Parks and Recreation SA
30 Fund. Initially, the 2.5% fund balance target will be met through an interfund transfer of
31 unrestricted net assets from the Equipment Maintenance Fund. In the future, the
32 Municipality will manage through the annual budget process to a range of 2 % to 3% of
33 prior year revenues. If the beginning fund balance is within that range, no adjustments
34 will be necessary. If the beginning fund balance falls outside the range, budgetary
35 adjustments will be proposed to bring fund balance back to the 2.5% policy target.
36 Working around a range, as opposed to a specific target, avoids numerous immaterial
37 adjustments simply to comply with the policy.

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SECTION 2. It is the policy of the Municipality of Anchorage that the general government shall prepare and manage budgets so as to maintain unreserved general fund balance in an amount equal to 8.25% of prior year revenues. This shall be referred to as the Bond Rating Designation.

SECTION 3. Additionally, it is the policy of the Municipality of Anchorage that general government shall prepare and manage budgets so as to maintain unreserved fund balances in its five major funds – Areawide General, Anchorage Fire SA, Anchorage Roads and Drainage SA, Anchorage Metro Police SA, and Anchorage Parks and Recreation SA – in an amount equal to 2.5% of prior year revenues. This shall be referred to as the Operating Emergency Designation.

SECTION 4. Additionally, it is the policy of the municipality that general government shall prepare and manage budgets so as to maintain a sufficient unreserved fund balance in all other funds to meet the operating and capital needs of the individual fund. The amount may be impacted by the size of the fund, the volatility of operating expenditures, revenues, and the financial strategy used to fund capital improvements, or the unique functional and financial needs of the fund. Specific levels may be as recommended by applicable advisory boards and will be reflected in the proposed and approved budgets.

SECTION 5. The Operating Emergency Designation for general government shall be used for nonrecurring, unpredictable or unforeseen needs that arise during the fiscal year, including expenses associated with emergencies, extraordinary weather or natural disasters, unexpected liability created by Federal or State law, new public safety or health needs, requirements that have been identified after the budget process has occurred, or investment opportunities expected to achieve significant cost savings or public benefit. The Operating Emergency Designation may also be used to cover shortfalls in a budgeted revenue forecast.

PASSED AND APPROVED by the Anchorage Assembly this 6th day of July, 2004.


Chair

ATTEST:


Municipal Clerk

EXHIBIT C

Submitted by: Chairman of the Assembly at
the Request of the Mayor
Prepared by: Office of Management and
Budget
For Reading: June 8, 2004

CLERK'S OFFICE
APPROVED

Date: July 6, 2004

ANCHORAGE, ALASKA
AR No. 2004- 154

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA ADOPTING AN
UNRESERVED FUND BALANCE DESIGNATION POLICY

WHEREAS, the Government Finance Officers Association recommends local governments adopt a formal policy establishing an appropriate level of unreserved fund balance, and

WHEREAS, maintaining the Municipality's bond rating for general obligation debt provides easy access to public bond markets and reduces the cost of voter approved borrowing, and

WHEREAS, the Municipality's financial advisors have indicated that adoption of a written policy defining consistent practices regarding fund balance management is an important contributing factor to maintaining the Municipality's high bond rating, and

WHEREAS, in March 2002, the Municipal general government and the school district entered into a long-term policy agreement whereby each agreed to maintain an unrestricted general fund balance of at least 8.25% of general fund revenues to support maintenance of the Municipal bond rating, and

WHEREAS, maintaining an adequate level of fund balance is essential to mitigating current and future risk (e.g., revenue shortfalls and unanticipated expenditures), ensuring stable tax rates and establishing a level of predictability necessary to facilitate effective long-range fiscal planning, and

WHEREAS, since 1994, supplemental appropriations from general fund balances have ranged from \$765,000 to \$9.9 million, or an average of \$3.6 million per year, and

WHEREAS, the appropriation of fund balance should be limited to uses of a one-time or emergency nature, or to fund investment opportunities expected to achieve significant cost savings.

THE ANCHORAGE ASSEMBLY RESOLVES:

SECTION 1. It is the policy of the Municipality of Anchorage to maintain and designate specific levels of fund balance within its general funds to support the Municipality's bond rating, mitigate current and future risk (e.g., revenue shortfalls and unanticipated expenditures), help ensure stable tax rates and establish a level of predictability necessary to facilitate effective long-range fiscal planning.

Content ID: 009258**Type:** AR_FundsApprop - Funds Approp Resolution

Title: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) FROM THE TALUS WEST LRSA FUND BALANCE (FUND 142) TO THE TALUS WEST LRSA BP2010 OPERATING BUDGET (FUND 142), MAINTENANCE AND OPERATIONS DEPARTMENT, FOR ROAD REPAIRS ON VARIOUS SERVICE AREA ROADS.

Author: johnsonbm**Initiating Dept:** Maint_Op**Date Prepared:** 7/22/10 4:02 PM**Director Name:** Alan J. Czajkowski**Assembly Meeting Date:** 8/17/10**Public Hearing Date:** 8/31/10**Date:**

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	8/6/10 11:40 AM	Exit	Joy Maglaqui	Public	009258
MuniManager_SubWorkflow	8/6/10 11:40 AM	Approve	Joy Maglaqui	Public	009258
Finance_SubWorkflow	8/6/10 11:29 AM	Approve	David Ryan	Public	009258
OMB_SubWorkflow	8/5/10 11:27 AM	Approve	Cheryl Frasca	Public	009258
OCPD_SubWorkflow	7/26/10 9:42 AM	Approve	Tawny Klebesadel	Public	009258
Maint_Op_SubWorkflow	7/22/10 4:39 PM	Approve	Maury Robinson	Public	009258
FundsAppropWorkflow	7/22/10 4:06 PM	Checkin	Bea Johnson	Public	009258