



	<i>Presented</i>
Date Action Taken:	<i>2-22-10</i>
Other:	<i>See Ordinance # 10-09.</i>
Verified by:	<i>[Signature]</i>

**WASILLA CITY COUNCIL INFORMATIONAL MEMORANDUM**

**IM No. 10-07**

**TITLE: PROVIDING ADMINISTRATIONS VIEWPOINT ON ORDINANCE 10-09 REGARDING AMENDING ORDINANCE SERIAL NO. 09-76(AM), REGARDING THE CITY'S PURCHASE OF META-ROSE SQUARE, TO ALLOW FOR ALL PROFITS GAINED FROM THE META-ROSE SQUARE TO BE SET ASIDE IN AN ACCOUNT FOR THE FUTURE PURCHASE OF A LIBRARY.**

**Agenda of:** February 22, 2010  
**Originator:** Finance Director

**Date:** February 10, 2010

Route to:	Department	Signature/Date
	Director of Public Works	<i>[Signature]</i> 2/12/10
	Finance Director	<i>[Signature]</i> 2/12/10
	Deputy Administrator	<i>[Signature]</i>
	City Clerk	<i>[Signature]</i>

**REVIEWED BY MAYOR VERNE E. RUPRIGHT:** *[Signature]*

**FISCAL IMPACT:**  yes or  no

**Funds Available**  yes  no

**Account name/number:** N/A

**Attachments:** None

**SUMMARY STATEMENT:**

Given that the use of the Meta Rose Square property is still under review by Council and that no municipal purpose may be identified for that property, I would like to inform Council of the following items:

- 1) The City's investment policy 5.12.020 is silent in regard to the purchase and resale of real property for investment purposes. Given the conservative nature of the explicit policy, it is finance's interpretation that our current code would not support the purchasing and selling of real property as an investment option.

With that said, real property acquisition is allowed under 5.28 and if that property is not needed for, or devoted to, a municipal purpose, it may be leased in such case where it is in the best interest of the public.

Finance recommends that any dialogue regarding the Meta-Rose Square be referred to as a lease-held property.

- 2) In Ordinance 09-76, approving the purchase of the Meta Rose Square, the funding from account 001-4990-999.99-11 of \$174,689 was generated from ARRA Grant #800273. The stipulations of the grant require the funds to be used to provide funding support toward a new library. The total grant amount was \$215,652.48. These monies have been reimbursed to the City under the assumption that the Meta Rose was planned to be the new library site. These monies will need to be returned if the direction of Council does not support that buildings use as a library. It is possible that these monies could again be used to find a new library but would not support the purchase of Meta Rose Square. Note: the difference between the amount in Ordinance 09-76 and grant amount was an oversight as the City should maximize the grant funding first. An amendment is planned to utilize the maximum grant funding and relieve the general fund of the difference.
- 3) Approval of Ordinance 10-09 is not recommended by finance for the following reasons:
  - The Council has the authority and opportunity to commit/designate fund balance to be used for a specific purpose on an annual basis during the budgeting process and under new fund balance requirements, before the end of the fiscal year. By using this mechanism to achieve the objective of Ordinance 10-09, it maintains the objective of an efficient government by not requiring a more detail level of reporting. For example, finance currently does not capture administrative expenses (finance, HR, administration) in a manner which could easily be allocated to the Meta Rose property. These are certainly costs of doing business and would be appropriate to include in the calculation of operating gains. To allocate costs would create an additional process.
  - Ordinance 10-09 binds future Councils for an indefinite period since the timing of a purchase, construction or funding of a new library at this point is not known.