

**CITY OF WASILLA
ORDINANCE SERIAL NO. 11-09**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING THE FY11 BUDGET BY TRANSFERRING FUNDS FROM THE CAPITAL RESERVE FUND AND LAND BANK FUND TO THE GENERAL FUND AND FUNDS FROM THE TECHNOLOGY REPLACEMENT FUND TO THE TECHNOLOGY REPLACEMENT CAPITAL PROJECTS FUND, TO MEET THE DEFINITIONS AND POLICY OF NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 54.

Section 1. Classification. This is a non-code ordinance.

Section 2. Purpose. To amend the FY2011 budget of the following funds for the purpose of closing two Special Revenue Fund(s) and adding a Capital Project Fund due to implementation of Governmental Accounting Standards Board (GASB) Statement 54:

- Fund 250 – Capital Reserve Fund transfer to Fund 001 - General Fund
- Fund 260 – Technology Replacement Fund transfer to Fund 170 – Technology Replacement Fund
- Fund 280 – Land Bank Fund had a zero fund balance as of June 30, 2010, thus the transfer budgeted in FY2011 would be reduced to \$-0-.

Section 3. Appropriation. The funds are appropriated to the following:

001-0000-391-10-25	Transfer In – Fund 250	\$ 86
250-4990-499-99-01	Transfer Out – Fund 001	\$ 86
170-0000-391-10-26	Transfer In – Fund 260	\$201,920
260-4990-499-99-17	Transfer Out – Fund 170	\$201,920
280-0000-391-10-01	Transfer In – Fund 001	(\$ 50,000)
001-4990-499-99-28	Transfer Out – Fund 280	(\$ 50,000)
170-0000-391-10-01	Transfers / General Fund	\$ 92,500
170-0000-391-10-21	Transfers / Library Fund	\$ 17,000
170-0000-391-10-31	Transfers / Sewer Fund	\$ 1,500
170-0000-391-10-32	Transfers / Water Fund	\$ 4,500

170-0000-391-10-33	Transfers / Airport Fund	\$ 500
170-0000-391-10-34	Transfers / CMMSC Fund	\$ 9,500
170-4192-416-60-15	Supplies / Small Tools & Equip	\$ 63,915
170-4192-416-70-41	Capital Purchases / Machinery & Equipment	\$ 30,197

Section 4. Source of Funds.

260-0000-391-10-01	Transfers / General Fund	\$ 92,500
260-0000-391-10-21	Transfers / Library Fund	\$ 17,000
260-0000-391-10-31	Transfers / Sewer Fund	\$ 1,500
260-0000-391-10-32	Transfers / Water Fund	\$ 4,500
260-0000-391-10-33	Transfers / Airport Fund	\$ 500
260-0000-391-10-34	Transfers / CMMSC Fund	\$ 9,500
260-4192-416-60-15	Supplies / Small Tools & Equip	\$ 63,915
260-4192-416-70-41	Capital Purchases / Machinery & Equipment	\$ 30,197

Section 5. Accounting items. Due to GASB54 requiring implementation effective July 1, 2010, actual activity will be reposted and accounted for as if the receiving fund would have been accounting for the activity beginning July 1, 2010.


Section 6. Effective date. This ordinance shall take effect upon adoption by the Wasilla City Council.

ADOPTED by the Wasilla City Council on February 14, 2011.

ATTEST:



KRISTIE SMITHERS, MMC, City Clerk



VERNE E. RUPRIGHT, Mayor

[SEAL]

VOTE: Harris, Holler, Katkus, Menard, Sullivan-Leonard and Woodruff in favor.



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

Ordinance Serial No. 11-09: AN ORDINANCE OF THE WASILLA CITY COUNCIL TO AMEND THE FY2011 BUDGET BY TRANSFERRING FUNDS FROM THE CAPITAL RESERVE FUND AND LAND BANK FUND TO THE GENERAL FUND AND FUNDS FROM THE TECHNOLOGY REPLACEMENT FUND TO THE TECHNOLOGY REPLACEMENT CAPITAL PROJECTS FUND, TO MEET THE DEFINITIONS AND POLICY OF NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 54.

Agenda of: January 24, 2011
Originator: Finance Director

Date: January 10, 2011

Route to:	Department	Signature/Date
X	Finance Director	<i>[Signature]</i> 1/12/11
X	Interim Deputy Administrator	<i>[Signature]</i>
X	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:

Effective for Fiscal Year 2011, the City of Wasilla must comply with Governmental Accounting Standards Board (GASB) Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

GASB54 requires the City to review its fund classifications for existing governmental fund types. The clarification of the definition of special revenue funds places limits upon their use. GASB54 requires a substantial portion of the inflows of a special revenue fund should be from restricted or committed resources. If this is not the case, the government should report the fund's resources in the general fund.

Currently the City has four funds in question:

- Capital Reserve Fund
- Technology Replacement Fund
- Land Bank Fund
- Library Fund

The Capital Reserve Fund and Land Bank Fund acquire its revenue solely from the transfer of the General Fund. Albeit these funds may be committed in form, the transfer from the General Fund should remain there and be committed by council action in the General Fund. This ordinance transfers all funds with the Capital Reserve Fund and Land Bank Fund to the General Fund so that the funds would be classified as "Committed Fund Balance" in FY2011 and succeeding fiscal years. The intent of this action would be to close the Capital Reserve Fund and Land Bank Fund.

The Technology Replacement Fund acquires its revenue solely from the transfer of the General Fund. These funds may either be committed or assigned in form, but are intended to be used for current and/or future capital outlay of the City, specifically related to information technology. Therefore, this ordinance transfers all funds within the Technology Replacement Fund to a new fund within the Capital Projects Funds called the Technology Replacement Capital Projects Fund. The intent of this action would be to close the Technology Replacement Fund.

Currently, the Library is being reviewed because revenue derived within the Library Fund from restricted or dedicated sources is significantly smaller than the transfer being provided by the General Fund. Additionally, it is questionable if these revenues will continue in future fiscal years. Because of this, GASB54 will require the City to report the Library Fund inside the General Fund. This ordinance does not make this adjustment at this time, but rather the Finance Department is reviewing the requirements and will come forward with legislation should action be required.

STAFF RECOMMENDATION: Approve the adoption of Ordinance Serial No. 11-09.