

**CITY OF WASILLA
ORDINANCE SERIAL NO. 02-28**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.04.025(B)
STABILIZATION OF FUNDS.

BE IT ENACTED:

* **Section 1. Classification.** This ordinance is of a general and permanent nature and shall become part of the city code.

* **Section 2. Amendment of subsection.** WMC 5.04.025(B), Stabilization of Funds, is amended to read as follows:

B. Definitions. The following terms shall have the following meanings in this section:

1. "Maximum undesignated fund balance" means, with respect to any annual budget as amended from time to time, an amount that is equal to sixty (60) percent of the sum of budgeted general fund operating expenditures, plus the budgeted amount of general obligation debt service, not including general obligation debt service with a dedicated revenue source.

2. "Minimum undesignated fund balance" means, with respect to any annual budget as amended from time to time, an amount that is equal to fifty (50) percent of the sum of budgeted general fund operating expenditures, plus the budgeted amount of general obligation debt service, not including general obligation debt service with a dedicated revenue source.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

3. "Minimum retained earnings" means, for any specified enterprise fund and with respect to any annual budget as amended from time to time, twenty (20) percent of the amount derived by deducting from the total amount of expenses budgeted for that fund, (i) budgeted expenditures from the fund for debt service and capital projects, and (ii) the budgeted allowance for depreciation for the fund.

* **Section 3. Effective date.** This ordinance shall take effect upon adoption of the Wasilla City Council.

ADOPTED by the Wasilla City Council, Alaska, on June 10, 2002.



SARAH PALIN, Mayor

ATTEST:



KRISTIE SMITHERS, CMC
City Clerk

[SEAL]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]



CITY OF WASILLA

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PHONE: (907) 373-9090
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TO: Wasilla City Council
THRU: Mayor Sarah Palin *SP*
FROM: Finance Department
DATE: May 21, 2002
SUBJECT: Ordinance Serial No. 02-28

SUMMARY:

When the Fund Stabilization ordinance was passed, the funding of general obligation debt by a dedicated sales tax increase was not considered. By including general obligation debt with a dedicated revenue source, the Finance Department believes that the City of Wasilla would be tying up capital unnecessarily. The dedicated revenue source is the safeguard for payment of the related general obligation debt and reserving 60 percent of the debt service is not needed.

FISCAL IMPACT: If yes, amount requested:
Account No.:

RECOMMENDED ACTION: Adopt Ordinance Serial No. 02-28

ATTACHMENTS: