

**CITY OF WASILLA
ORDINANCE SERIAL NO. 04-48**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.04.025, STABILIZATION OF FUNDS, TO PROVIDE FOR BUDGETED GENERAL FUND OPERATING EXPENDITURES FOR WHICH THE CITY WILL BE REIMBURSED.

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

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

B. Definitions. The following words or phrases, when used in this chapter, shall have the meanings set forth in this section [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:

a. ~~B~~[B]udgeted general fund operating expenditures, net of any budgeted reimbursement of such expenditures in the current fiscal year, plus

b. ~~I~~[T]he 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:

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

a. B[B]udgeted general fund operating expenditures, net of any budgeted reimbursement of such expenditures in the current fiscal year, plus

b. I[T]he budgeted amount of general obligation debt service, not including general obligation debt service with a dedicated revenue source.

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 by the Wasilla City Council.

ADOPTED by the Wasilla City Council on June 28, 2004.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE L. SMITHERS, MMC
City Clerk

[SEAL]

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



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: ORDINANCE SERIAL NO. 04-48: CODE AMENDMENT TO PROVIDE FOR BUDGETED GENERAL FUND OPERATING EXPENDITURES FOR WHICH THE CITY WILL BE REIMBURSED.

Agenda of: June 14, 2004

Date: June 7, 2004

Originator: Ted Leonard, Director of Finance and Administrative Services

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
	Public Works Planning	
X	Finance *signature required	<i>Ted Leonard</i> 6/8/04
X	Clerk	<i>[Signature]</i>

REVIEWED BY MAYOR DIANNE M. KELLER: _____

Dianne M. Keller

FISCAL IMPACT: yes\$ or no

Funds Available yes no

Account name/number:

Attachments: n/a

SUMMARY STATEMENT:

As stated in Ordinance, this ordinance amends WMC 5.04.025, Stabilization of Funds, to provide for budgeted General Fund operating expenditures for which the City will be reimbursed. When the WMC 5.04.025 was adopted, it was not predicted that the City would be providing services to another organization and being reimbursed for those services.

An example of this type of service being provided is the contract with the State Troopers to provide dispatch services. Our General Fund budget was increased by over by over \$905,000 for providing dispatch services. Under WMC 5.05.205, the City of Wasilla would have had to increase General Fund Balance by at least \$452,500 as a reserve.

Since the City is being reimbursed for these expenditures, Administration believes that these types of reimbursed expenses should not be part of the stabilization of funds formula that City of Wasilla uses to determine the appropriate amount of Fund Balance to keep in reserve.