

CLERK'S OFFICE

APPROVED

Date: 3-27-01

Submitted by: Chair of the Assembly  
at the Request of the Mayor  
Prepared by: Finance Department  
For Reading: March 27, 2001

ANCHORAGE, ALASKA  
AR NO. 2001-89

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE HUNDRED THOUSAND DOLLARS (\$100,000) FROM THE AREAWIDE GENERAL FUND (101) BALANCE TO THE DEPARTMENT OF FINANCE TO PROVIDE FUNDING FOR THE DEVELOPMENT OF A COMPREHENSIVE WORK PLAN FOR IMPLEMENTATION OF GASB 34

THE ANCHORAGE ASSEMBLY RESOLVES

Section 1. That the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) is hereby appropriated to the Finance Department to pay for costs associated with developing a comprehensive work plan for the Municipality's implementation of GASB 34, the pronouncement issued by the Government Accounting Standards Board requiring local governments to substantially change the presentation of their financial statements.

Section 2. That this resolution shall take effect immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 27 day of March, 2001.

  
Chair

ATTEST:

  
Municipal Clerk

Departmental Appropriation  
Finance \$100,000



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 299-2001

Meeting Date: March 27, 2001

1 FROM: Mayor

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3 SUBJECT: AR 2001-89 Appropriating \$100,000 from the Areawide General Fund (101)  
4 to Pay for the Development of a Comprehensive Work Plan for the Municipality's  
5 GASB 34 Implementation.  
6

7 The attached Assembly Resolution appropriates \$100,000 from the Areawide General Fund  
8 (101) to pay for costs associated with developing a comprehensive work plan for the  
9 Municipality's implementation of GASB 34.  
10

11 In June 1999 the Government Accounting Standards Board or "GASB" issued a pronouncement  
12 that requires local governments to substantially change the type of and the way information is  
13 presented in the Municipality's financial statements.  
14

15 The focus of GASB 34 is to change government financial statements, which can be  
16 incomprehensible to the non-financial reader, to an operational level of reporting, more like  
17 those prepared by Fortune 500 businesses.  
18

19 Fortune 500 companies are required to prepare financial statements that are understandable by  
20 a universe of stockholders with a wide disparity of financial expertise ranging from the novice  
21 investor to investment bankers.  
22

23 The Municipality's citizens have a similar range of expertise and an equal right to have financial  
24 information presented in a clear and understandable manner. GASB 34 offers an outstanding  
25 opportunity to clearly illustrate how the public's tax dollars are spent and the value that exists in  
26 the infrastructure supporting Anchorage's high quality of life.  
27

28 The Finance Department believes the result of implementing GASB 34 will propel the  
29 Municipality to a higher standard of accountability and foster a communication with the public  
30 that was not possible under the current reporting model.  
31

32 Getting to that higher ground will be difficult and requires a Municipal-wide effort over the next  
33 20 months. Before we start down the implementation path, prudence requires MOA develop a  
34 comprehensive road map that addresses the policy changes, the procedural changes, the  
35 accounting practice changes, the financial system changes and the methods and personnel (in-  
36 house or outside) that are needed to fully implement this statement on December 31, 2002.  
37

38 There is no GASB 34 expertise existing with the MOA, nor are internal resources available to  
39 dedicate the level of effort planning this project is going to require. In fact, only a handful of  
40 governments across the country have early implemented this Statement due to the enormous  
41 efforts involved which have required additional time and revenues. The GASB 34 expertise  
42 currently is found within the major accounting firms who are actively engaged in assisting local  
43 governments across the country with implementation.  
44

45 The Finance Department intends to seek requests for proposals from accounting firms to  
46 develop a comprehensive work plan for the Municipality which will identify changes, resources  
47 and the steps the Municipality will need to take in order to achieve a successful implementation  
48 of GASB 34.  
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1 The accounting detail is as follows

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3 **REVENUE**

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Revenue Account	Account Name	Amount
101-0740	Fund Balance	\$100,000

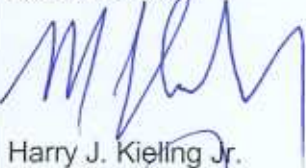
8  
9 **EXPENDITURE**

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Expenditure Account	Account Name	Amount
101-1311-3101-131100	Professional Services	\$100,000

14  
15 THE ADMINISTRATION RECOMMENDS APPROVAL OF AR NO. 2001-89  
16 APPROPRIATING ONE HUNDRED THOUSAND DOLLARS (\$100,000) FROM THE AREAWIDE  
17 GENERAL FUND (101) TO PAY FOR THE DEVELOPMENT OF A COMPREHENSIVE WORK  
18 PLAN FOR THE MUNICIPALITY'S IMPLEMENTATION OF GASB 34.

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20 Concurrence:

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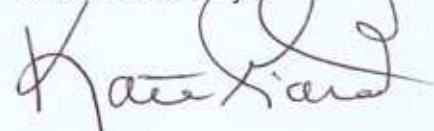
25 Harry J. Kielling Jr.  
26 Municipal Manager

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28 Respectfully submitted,

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33 George P. Wuerch  
34 Mayor

Recommended by:

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25 Kate Giard  
26 Chief Fiscal Officer

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28 FUND CERTIFICATION  
29 101-0740 - \$100,000  
30 (2001 Areawide General Fund Balance)  
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Municipality of Anchorage  
MUNICIPAL CLERK'S OFFICE  
**Agenda Document Control Sheet**

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	<b>SUBJECT OF AGENDA DOCUMENT</b>	<b>DATE PREPARED</b>	
	AR - Appropriation from Areawide General Fund for GASB 34 Implementation (\$100,000)	3-14-01	
		Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM	
<b>2</b>	<b>DEPARTMENT NAME</b>	<b>DIRECTOR'S NAME</b>	
	Finance	Chief Fiscal Officer	
<b>3</b>	<b>THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY</b>	<b>HIS/HER PHONE NUMBER</b>	
	Kate Giard	343-6619	
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<b>INITIALS</b>	<b>DATE</b>
X	Mayor		
	Heritage Land Bank		
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	Water & Wastewater Utility		
X	Municipal Manager <i>BA</i>	<i>MM</i>	3/19
	Cultural & Recreational Services		
	Employee Relations		
X	Finance, Chief Fiscal Officer	<i>[Signature]</i>	3/14/01
	Fire		
	Health & Human Services		
X	Office of Management and Budget	<i>CF</i>	3/16/01
	Management Information Services		
	Police		
	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
	Municipal Attorney		
	Municipal Clerk		
	Other		
<b>5</b>	<b>Special Instructions/Comments</b>		
	<i>7.C ACTION</i>		
<b>6</b>	<b>ASSEMBLY HEARING DATE REQUESTED</b>	<b>7</b>	<b>PUBLIC HEARING DATE REQUESTED</b>
	3-27-01	—	

M.O.A.  
 2001 MAR 19 PM 4:48  
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